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THE BELGRADE CONFERENCE AND ECONOMIC INTEGRATION

By Stojan PETROVIĆ

THE contemporary development of the productive forces calls for international division of work, various forms of economic cooperation, and harmonized economic progress within the widest possible scope, all of which will finally lead to economic unification. This unification should be built on economic conditions and not according to political adherence of bloc division.

The existing economic integrating organizations are under the impact of the bloc conflict, and are part of the cold-war squaring of accounts, instead of being inspired by economic motives and objectives. There is a marked tendency towards bloc polarization on the economic plane, which is both the cause and the effect of increasing tension in international relations.

The changes in international economic and political relations in recent years have led to new forms of both economic and political ties between West Europe and the USA, which have resulted in the transformation of OEEC and OECD and the establishing

of the Common Market, while the growing military and economic potential and political influence of the Soviet Union is accelerating the process of economic and political integration of the West. Many West European countries have changed their attitude in order to speed up this process. The USA is endeavouring to put into operation as soon as possible the Atlantic Economic Community which, according to President Kennedy, would, together with the Pacific Economic Community, include ninety per cent of the exchange of goods of the "free world". There are many elements which impel the USA Government to expedite the implementation of this programme, for Washington is not unmindful of the increasingly important role of SEV (the Economic Council of the Socialist camp) in the unification of the economies of the socialist camp and in stepping up the building of their industries. The USA is growing aware of the fact that the cold war between the blocs will ultimately be decided on the economic plane, and she wishes to take advantage of the superiority of the

Western bloc in the economic field, because she realises that there is no longer such superiority on the military plane.

However, the existing economic superiority of the West cannot exert a strong influence unless the West succeeds in organizing its full potential, and in removing the obstacles which divide and weaken it. This is the task of the Atlantic Economic Community, which is planned to include the members of the Common Market, the majority, if not all the EFTA members, Great Britain, the members of the African French Community, and possibly some other countries. The long-term economic interests of the West tally with its strategic and political concepts.

Preoccupied with their own political, military and economic interests, the industrially developed countries, whose influence is decisive in these economic integration spheres, are not much concerned about their unfavourable economic effect on the countries remaining outside these groupings, especially on the underdeveloped countries. The collective economic measures taken by these closed integrating groups are increasingly isolating the countries which are not included in them, and conditions for international economic cooperation, especially world-trade, are deteriorating. Although the volume of world exchange of goods has been doubled in the postwar period, the share of countries with an insufficient degree of economic development has decreased, amounting only to 24.7 per cent last year, as against 31.5 per cent in 1953.

Efforts to eliminate, through the intervention of UN, GATT, EEC, ECAFF etc., these negative aspects, which are detrimental to the developing countries, have been unsuccessful, owing to the open resistance of the industrially developed countries, which control these universal organizations.

Even if built on bloc principles, economic organizations should encourage the development of national economies on equal conditions. These organizations are under a moral obligation to promote the development of less developed areas, thus returning, at least in part, what they drained them of.

Economic integration is developing safer and is having a graver effect on the less developed countries than was anticipated when the integrating groups were formed. While the world public was alarmed about a possible nuclear war, an economic war was being waged. The industrially developed countries are now availing themselves of the integrating groups to widen the gap separating them from the vast economically underdeveloped areas, and this is being for the exchange of goods, but for economic cooperation in general. These measures include stricter quantitative restrictions, increased custom tariffs for import from less developed countries, larger agrarian subsidies in favour of the member-countries of the integration groups, the fixing of lower prices for raw materials, stricter terms for financing and investing, severer conditions for industrial cooperation, technical assistance etc. The impact of these measures is strengthened by the fact that the member-countries of the integrating bodies are, at least for the time being, the only potential exporters of capital through bilateral or multilateral arrangements, which is an essential condition for the solution of the problem of the economic development of the underdeveloped countries.

A long struggle against the unfavourable consequences of economic integration will follow. The endangered countries, which as a rule are the less developed

ones, are making great efforts — although these efforts are still insufficient — to eliminate, or at least mitigate these unfavourable conditions, with the help of international organizations of a universal character. These efforts and actions, however unorganized or individual, formulate and characterize a common goal and a common platform: the anti-bloc economic policy of all endangered countries, not only of the non-aligned or less developed ones.

The Belgrade Conference of Non-Aligned Countries devoted full attention to the negative aspects of bloc integration. It condemned the exclusivity of integration and the measures taken to eliminate competition so as to secure the maximum of profit at the expense of the countries remaining outside these integrating groupings. The non-aligned countries cannot remain passive or indifferent to these developments, which are leading to a still greater division of the world. A growing number of endangered countries are clamouring for protective measures against this systematically growing pressure.

In his report at the Belgrade Conference President Tito said: "I believe that the question of economic cooperation between non-aligned countries will be specially treated at this Conference. This question arises in connection with the present situation which, owing to bloc division, is more and more obstructing economic cooperation and closer interrelation of the economies of individual countries through the world market. But the economy of every country feels the need for close and comprehensive economic cooperation, regardless of social and economical systems. One of the gravest impediments to economic interrelation and cooperation is the establishment of the Common Market of West Europe; of the Organization for Economic Cooperation and Development, which some are beginning to call the Atlantic Economic Community; of SEV, the Organization of East European countries, etc. As a result, the countries which are outside these groupings (in the first place the non-aligned) are finding themselves in a discriminatory situation. In the long run, this situation may deteriorate still more and further impair the economic development of the non-aligned countries as well as of all other. On account of this, and for many other reasons, I consider that economic cooperation between underdeveloped countries should be built on a broad basis and include all non-aligned and all underdeveloped countries that are ready to cooperate. This cooperation is not for the purpose of creating a new, closed market, but in order to facilitate the elimination of barriers and division in world economy, and to make it possible for all countries to participate in economic cooperation. At the same time, besides its economic importance, it would be of great, universal political importance".

These words of President Tito are not only a criticism of the integration movement, but show the way to be taken by the non-aligned or, to be more accurate, the endangered countries. Most of the Heads of State or Government formulated in similar words the views of their countries on this crucial question. This is understandable. There was not a single country at the Belgrade Conference which was not threatened by these integration movements in one way or another, and their concern was clearly manifested in the Declaration of the Conference. Clauses 21, 22, and 23 of this Declaration are the greatest contribution to a constructive approach to the solution of this problem, and they call for the elimination of

the inequality inherited from colonialism and imperialism, for the bridging of the widening gap in the standards of living, for more equitable trade terms etc. The Declaration suggests that an international conference to deal with economic problems should be convened by these countries as soon as possible.

The communique published after the Tito-Nasser-Nehru meeting declared that in the present situation, especially in view of West European integration, it is necessary to intensify economic cooperation between non-aligned countries, and to launch joint actions to remove economic barriers and to prevent the splitting of the world economy.

The world press devoted great attention to these conclusion of the Belgrade Conference and the Cairo Meeting. They were commented on not only in the press of the non-aligned countries, but also in that of all other countries that feel, in whatever way, the detrimental consequences of integration. The commentators stressed that as early as 1956 (at the Twenty-

Second ECOSOC Session) the Yugoslav delegation proposed that a world economic conference should be convened. Unfortunately, this proposal did not receive the necessary support at the Eleventh Session of the UN General Assembly.

It is needless to repeat that no formation of a third economic bloc is involved but only the anti-bloc economic cooperation of the endangered countries which are under the impact of bloc groupings, above all of the Western groups, since the dealings of the latter have a far greater bearing on the less developed countries.

Closed bloc groupings cannot be justified in the progress of science, technology and economic potential, which calls for everwidening cooperation, but not cooperation based on bloc positions or dictated by military or political objectives. International economic relation, which also imply political relations, can develop only through the universal, open and democratic cooperation of all countries.

THE AWAKENED CONTINENT

By Djordje JERKOVIC

IN 1960 so many African countries became independent that it was called Africa year. But the process of the abolition of colonial dependence has continued at the same speed this year, so that the end of a century-old system in Africa is imminent. Tanganyika celebrated the proclamation of her independence a few days ago; Kenya and Uganda will be celebrating it in the coming year, and so will Ruanda-Urundi and some other countries which have not yet achieved their independence. This year the United Nations has on its agenda the question of the independence of South-West Africa, a territory the South African Union has long been trying to annex. The independence of Algeria seems to be a question of days, and there are few who believe that it will be long before this burning and tragic problem is definitely solved. The case of Angola is more or less the same and, as things are, there is no excuse for prolonging the life of the remaining Portuguese colonies, or of any others.

The era of colonial rule belongs to the past. The present era — our era — is the era of the liquidation of colonialism in its various forms and derivatives, and it is significant that today it is not only a matter of the rights and interests of the peoples and countries under colonial domination, but also of the interests of the colonial powers themselves, for whom the maintenance of colonial relations in our times has become a burden which is more and more difficult to bear.

More than ninety-five independent countries already exist and function in Africa, and their presence on the political scene makes itself more strongly felt every day. But most of them are economically underdeveloped and also backward in other ways, and in comparison with the highly developed countries of Europe and other parts of the world, the African countries fall into category of "the underdeveloped" and are only on the threshold of normal

development. The era of colonialism — of life under foreign domination — is gradually being relegated to the past, but underdevelopment and its corollaries, poverty and ignorance, remain a crucial question in these countries, and are bound up with the problem of the life or death of former colonies, especially on the soil of African. In brief, it may be said that the problem has three main aspects, or that it reveals itself in the former colonies and to the rest of the world in three ways.

The first aspect, which has been so predominant up to now that it has become almost classical, is the question of the material and financial resources to speed up development and eliminate the heritage of colonial backwardness. The protagonists of an adequate policy for the solution of this problem, and the beneficiary countries, maintain that the action should be carried out through the channels of the United Nations and under auspices of its agencies: a proposal which the highly developed donor countries have not yet accepted. Thus the action has yielded small results so far, because it has been conducted through bilateral operations, in which the unequal position of donors and beneficiaries is inevitably reflected, to the detriment of the general solution of the problem.

The second aspect is reflected in the lack of trained personnel and technical skill in the new-born countries, and in the plans of various international organizations to render assistance in this respect. This aspect is still regarded as being of secondary importance, although it is obvious that it should be treated parallel with problems of primary importance, or even given priority over them. There are many examples and experiences which indicate that the problem of obtaining trained national personnel for the new countries is the most crucial of all, since not only the obtaining and utilization of the resources for the acceleration of the development of these

countries, but the adequate solution of other urgent problems, depends on it.

It is due to the inadequate approach of the international community to the solution of these problems that Africa, while definitely freeing itself from its colonial burden, is confronted with obstacles and disturbances which threaten to reduce the process of liberation to a changed form of dependence. The international community and its organizations, being unable to secure for the new countries means or conditions for speedier development, or for the consolidation of their newly-achieved national independence, these latter, owing to their inequal position in relations with the superior donor countries, run the risk of being induced to yield to the imposed conditions and to give way to pressure. This would create a relationship of dependence, in spite of formal and apparent independence, which in our epoch is called neo-colonialism. This danger is all the greater today, as this problem is being tackled in the conditions of the cold war and the economic race between the blocs and the big powers: a fact which explains why it is that these powers — irrespective of the division of East and West — approach it from the angle of their own strategy in this struggle.

In an era in which colonialism is behind us, this approach to the solution of the vital problems of the new countries is the direct or indirect source of almost all the troubles which are hampering the progress of Africa and make it difficult for African policy to take its proper place in the world today.

Actually, the soil of Africa is still the scene of bloody colonial conflicts, but these are merely attempts to hold on to the last positions or, at least put off the day of departure, and foredoomed to failure. This explains why the situation in Africa is strongly characterized by the efforts of the big powers and the blocs to set up, in the backward conditions of that continent, their own new positions and to build strongholds through economic and financial infiltration, which cannot but have a deleterious effect on the economic life and political interrelations of the African countries, and on their relations with other countries. The extent to which the individual regions of Africa are linked with non-African interests, and the extent to which non-African interests succeed in penetrating into African regions and in taking root there, are reflected in the general and political orientation of the regions concerned. Objective interests and degree of development are more or less the same throughout the continent. But their degree of general and economic dependence on the advanced countries influences the course of foreign policy throughout the world, which is torn asunder by conflicts and split by lines of division. This cannot but have a negative effect on the African countries and on their inter-relations and cooperation.

This accounts for the division of contemporary Africa into several groupings, each following its own political course. Many of the former French colonies are rallied in the so-called "Brazzaville" group which — in spite of the divergence between its own interests and those of the French — adheres, at least for the time being, more or less loyally to the general line of French policy, though much less so when direct African interests are involved. Although of recent date, the independence of these countries has yielded many characteristic examples illustrating

the specific process of their emancipation from the direct influence of their former metropolis, when the direct interests of peace in Africa and the rights of African countries are at stake. By this roundabout route, the process of emancipation will probably reach the goal which other countries with different conditions have attained by advancing towards independence and by preparing for liberation.

The Monrovia group, though not so compact as the Brazzaville group, seems to have moved farther away from foreign influence, which is reflected in its general orientation, so that it finds itself between the first group and the Casablanca group, which was formed in January this year. The UAR, Morocco, Algeria, Ghana, and Mali, though they are not the only countries, or the only active independent countries that proclaimed non-aligned policy in Africa, are undoubtedly the core of independent Africa, and it is to be hoped that will stimulate the mutual understanding, cooperation and political unity of the African world along genuinely independent lines. Although the most limited in number, this group, as the upholder of a fearless and active African policy, has proved to be very effective in its actions, especially in connection with regional African interests. The appearance of new, independent countries, and the political maturing of Africa, will widen the sphere of action of this political grouping and expedite the forming of a truly African independent policy, which enable this large continent, so long absent from the stage of world politics, to take its proper place, and to increase its contribution to the universal cause of the world.

The African initiative at the Sixteenth UN Session for the de-atomization of Africa and the struggle against the use of nuclear weapons, reveals the potential power which would be engendered if African political unity of action were achieved on an independent platform.

The previous contribution of Africa to the efforts of the contemporary world to overcome the difficulties resulting from the cold war and to find a constructive solution to the problems of colonialism, was neither small nor ineffective in its influence on the general course of events. With the extension of the liberated areas and the growing of political maturity, this contribution has increased, and its influence has begun to make itself felt outside Africa. In non-aligned world policy, and for its leaders and supporters, the weight and import of the share of Africa is of great significance. Liberated after hard struggles and bloody sacrifices, the peoples of Africa have appeared on the scene with fresh and dynamic views and actions, as a result of the anticolonial wars and struggles imposed on many parts of Africa by colonial policy. This is why the African contribution to the development and spread of progressive anti-colonial thought and policy, as well as non-aligned thought and policy, has made a strong mark on the whole development of this policy, a fact which was manifested at the historic Belgrade Conference. Thus it is to be expected that in the coming years the African contribution to the policy of non-alignment will grow steadily, along with the growing need for peace in the world, and with the liquidation of the last positions of colonialism and dependence on African soil, where this process will release new, powerful forces, which are still being heldback by the remnants of colonial relations and neo-colonial influence.

STRAUSS'S ATLANTIC ECONOMIC UNION

By Jože SMOLE

IT is by no means fortuitous that Franz Joseph Strauss, who advocates the arming of West Germany, has now appeared in the role of the protagonist for Atlantic economic unification. The resurrection of West Germany as a military power and the "German economic miracle" are closely interrelated. For Herr Strauss's military plans the boundaries of West Germany have long become too narrow, so that the manoeuvres of the Bundeswehr are performed on the territory of other NATO members. But West Germany has become also too narrow for Herr Strauss's economic plans. All this is, however, only one aspect of a far-reaching policy, presented as anti-communism to the Western world, and profiting by the anti-communist trend of the partners in the Atlantic Pact.

The fact that it is Herr Strauss who pledges himself to Atlantic economic integration should cause reflection in those circles in Western Europe that regarded the creation of the European Common Market as a normal economic process. It is difficult to believe that the economic interests of the NATO member-countries are uppermost in Herr Strauss's thoughts. It is also difficult to believe that Herr Strauss, when speaking of the "necessity of renouncing a certain amount of sovereignty" is expressing willingness to restrict freedom of action among the West German economic and military forces. Unfortunately those who are blinded by anti-communism are reluctant to recall the bitter experience of the recent past, and to weigh the impact of the present manoeuvres on the arms race and the further bloc separation of the world. In their eyes Herr Strauss appears to be a man who has got beyond "the narrow German nationalist outlook" in his concepts, and revealed himself as a politician "with broad Atlantic views", and to certain circles in the West all this seems to prove that there is no danger that things will return to their old state in Germany.

The crux of the problem is not whether it is possible to control the future development of Germany. As a matter of fact it would be a mistake to treat Germany as isolated from the general world movements. Its essential aspect is the interrelation of actual international conditions in the world of today. Thus the stimulation of rearmament cannot but yield alarming political results. The bloc separation of the world does not contribute to the solution of pending international problems but, on the contrary, aggravates them beyond measure. It is from this angle that Herr Strauss's latest proposal to extend the Atlantic Pact so as to constitute not only a military alliance, but also an economic one, and to organize a Common Atlantic Market at the same time, should be viewed.

"We should voluntarily renounce some of our sovereign rights, and thus secure for our alliance a superiority which would not only neutralize but even surpass the advantages of the communist bloc, whose

power is necessarily based on centralism" Herr Strauss said in his recent lecture at the Georgetown University in Washington.

What Herr Strauss means when he says superiority, and why he needs it, can be easily interpreted by anybody who has even the slightest notion of the present West German policy and of the intentions of anti-communist crusaders in general. In any case it is obvious from Herr Strauss's statement that the idea of enlarging the Atlantic Pact by an economic union is not primarily based on economic reasons; nor has it any connection with the process of effective economic integration. The idea of an Atlantic economic union has been put forward so bluntly and urgently that it must be regarded as forming part of the bloc combinations which are aimed at intensifying the cold war and sharpening the antagonism between West and East.

The latest Atlantic economic union combinations justify those who maintained that the existing economic integrating bodies, such as the European Common market, have nothing in common with the interests of international economic cooperation, but are an integral part of military and political blocs and their combinations. True economic integration implies advance towards the creation of a single world market and of a single world economy. Bloc economic integration leads, on the contrary, to the economic division of the world, which entails grave consequences for the whole world economy.

Although the rapid progress of science, technique and economic potential has made the close economic cooperation of all countries and all parts of the world indispensable, in the international economic area such organisms are being artificially created for certain bloc purposes, which are diametrically opposed to the interests of the world economy. This negative course is exemplified by the economic division of Europe, where a common European market has ceased to exist. In fact, there is not even the minimum of trade and economic cooperation indispensable for normal relations between the countries in the East and the West. In this respect, the present situation is certainly worse than it was between the two world wars.

The conception and the effect of bloc economic integration are stamped with political and ideological exclusiveness and discrimination towards all countries outside the blocs, and the already established economic integrating bodies of the blocs are not only mutually antagonistic but exert a negative influence on third countries. This does not refer only to Europe, for the unfavourable economic situation of the underdeveloped countries is also taken advantage of, and a policy of dictating the prices of the raw materials they produce is being pursued. Thus, instead of being offered economic aid, these countries are still being

drained of their natural riches without corresponding compensation, which means the continuation of economic exploitation.

These integrating methods, which in fact deepen the gap caused by the bloc division of the world, are not only detrimental to the world economy, but are directed against the basic interests of sound international relations.

The idea of creating an Atlantic economic union designates, above all, a new attempt to intensify the cold-war policy to divide the world everywhere. This

idea is, naturally, advocated by the circles which, in view of their economic and military potential, expect to turn it largely to their own advantage. And these circles, when speaking of the necessity to limit sovereignty, are not thinking of making sacrifices themselves, but of creating a situation from which they will derive extra profit at the expense of others. The fact that the protagonist of the arming of West Germany is an ardent supporter of the creation of an Atlantic Common Market provides this idea with its clearest qualification.

UNCERTAIN PROSPECTS

By Gavro ALTMAN

THE DISARMAMENT debate in the United Nations General Assembly ended before it actually began. To be more precise, the few days of academic discussion which ensued after a period of two months of waiting, made it clear that the great powers were unwilling for the time being to embark on any discussion of the essence of the problem, particularly not before a large and critical audience. The great powers skilfully exploited the fact of their failure to agree on the composition of the negotiating body during the disarmament debate, as an argument for opposing further discussion in the General Assembly. The decision to postpone the disarmament debate until the composition of the negotiating body had been agreed upon helped the great powers gain time once more, but it meant bringing a certain amount of pressure to bear on those who were expected to agree.

Agreement has at long last been reached. The Soviet Union and the United States have agreed that the former "Ten-Nation Committee" should in future consist of eighteen member. Although it is not yet known who the new members will be, it is obvious that they will have to be elected primarily from countries that are uncommitted in relation to the large military alliances. A compromise has been reached, as was expected, on the lines of combining the "political" and "territorial" principle in composing the negotiating body. It therefore appears that the new situation will, at least formally, provide conditions for a more fruitful discussion on the problem of disarmament.

Agreement on the negotiating forum, and the previously reached Soviet-American agreement on the principles of the negotiations, show that some progress has been made. The great powers will be forced to set out their views at least at one place, that is in the negotiating body and, what is more they will have to make their views conform, if only partially, to the principles which they themselves formulated. This will give other members of the United Nations a chance to insist on the definition of at least some points of agreement, which is an essential prerequisite for any practical results in the field of disarmament.

There is no ground at this moment for great optimism as regards the renewal of the disarmament

talks. We have been disappointed far too many times in the past to expect any early or outstanding results this time. Moreover, if the opening of renewed negotiations on the discontinuance of nuclear tests is regarded as an indicator of the prospects of disarmament talks, such prospects appear to us extremely uncertain.

The Geneva negotiations on the discontinuance of nuclear tests began in an atmosphere of widely diverging views. Again we were able to record the reoccurrence of a phenomenon familiar in the past — a formal rapprochement of views, which nevertheless failed to increase the chances for agreement.

The Soviet proposal for the immediate suspension of all nuclear and thermo-nuclear space, underground and underwater tests without any special arrangements regarding inspection, while the signatory-countries of the agreement should refrain from further underground explosions until methods of detection have been devised, has many points in common with the suggestions originally put forward by Kennedy and Macmillan. In fact, this idea is a fairly practical one. Experience has shown that the detection of land, space and underwater explosions does not require any special international mechanism for control, since national means of detection have proved to be adequate in this respect. No explosion of this kind has been unregistered. It was this fact which the United States President and the British Prime Minister had in view when they insisted on the harmful effect of such explosions on human health.

Now, however, the representatives of the two Western powers assert that conditions have changed. Recalling the series of Soviet explosions this autumn, they are trying to prove that the mentioned series of tests testifies to the need for controlling the preparations of experiments as well as the tests themselves. This, of course, has once more made the disputed problem of control, which was a stumbling bloc during all previous negotiations, a topical question as far as space, land and underwater explosions are concerned. Meanwhile, the two Western powers have renounced their former suggestions which, in a somewhat modified form, have now appeared as So-

viet ones. The Soviet Government, which has not held the initiative in the negotiations on nuclear tests for several months, has now regained it.

But regardless of who holds initiative and regardless of the Western powers' assertions that, in response to the Soviet series of nuclear tests, a corresponding number of explosions should be staged in the west, the world is still chiefly interested in the suspension of all explosions, that is, in a moratorium which would be compulsory for all countries possessing nuclear and thermo-nuclear weapons. This constitutes the essence of the non-aligned countries' resolution, which was approved in the General Assembly. At the time, all the nuclear powers, irrespective of their differences, voted against this resolution, but it now appears from the latest Soviet proposal that, in essence, the Soviet Government favours the idea for a moratorium. It also proposed that France should join in the negotiations and that she should be included in a possible agreement. France's determination to continue her explosions in the Sahara may make it difficult to reach agreement; on the other hand, the advantages; which would result from her participation in such an agreement are more than apparent. Consequently, it must be admitted that the

latest Soviet proposals in Geneva could provide a basis for agreement, and that they should be exploited as such.

It would be most harmful if the present negotiations, which are already stagnating, the chief United States and British representatives having left Geneva, were to be reduced to mutual accusations and a consideration of the whole problem exclusively in the light of strategic advantage. Finally, if a moratorium were to be agreed upon and if it is to be made durable, no power would any longer obtain any advantage from carrying out atom and hydrogen bomb tests.

It is needless to stress that any progress in the negotiations on the discontinuance of nuclear tests would stimulate the talks on disarmament, and vice versa. Regardless of the differences in view on whether agreement on the discontinuance of nuclear tests should be reached within or without the scope of an agreement on disarmament, the fact remains that in either case progress depends, not so much on the finding of a "perfect formula" (which probably does not exist), as on the constructive political intentions of the great powers. The talks in both negotiating bodies will, no doubt, provide new indications of these intentions.

FORTNIGHT'S WORLD EVENTS

END OF A MYSTERY

By N. DUBRAVČIĆ

THE ENGAGEMENT of international armed forces in the operations in Katanga has opened a new stage in the Congolese crisis: a stage which, it is to be hoped, will bring the secession to an end and lead to the establishment of the territorial integrity of the young Congo Republic. Three events have contributed to a more optimistic view of the prospects for the final liquidation of the colonialist conspiracy in the Congo.

First, the Security Council has recently approved a new resolution, the fifth in order, formulating new, clear instructions to the UN Mission in the Congo: to see that all foreign mercenaries leave the country and that the legitimate policy of the territorial integrity and independence of the Republic is carried out consistently.

Second, the new Head of the UN Secretariat, U Thant, has expressed his firm determination to ensure that the decisions of the World Organization are adequately implemented;

Third, Dr O'Brien, the former UN representative in Katanga, after his resignation revealed the mystery which, especially for the uniformed public, for a long, time surrounded, Tshombe's international connections and the forces which stood behind him and enabled him to defy world opinion, and for months wage war against the United Nations.

Dr O'Brien's disclosures constitute a serious charge against the European colonial powers who are permanent members of the Security Council. As former chief UN official in Katanga, Dr O'Brien is certainly the most competent person to speak of events in that province, and of the manoeuvres of the European colonialists to bring about its secession from the Congo. His disclosures have also helped to clarify Anglo-French efforts to prevent the UN Mission from carrying out its mandate in the Congo, as well as the backstage schemes for the unification of Tshombe's regime with Roy Welensky's Rhodesia and certain other territories, in an attempt to create a powerful colonialist base in the heart of black Africa. By sponsoring the Tshombe operation and by sabotaging the UN decisions, the colonialists actually had in mind a scheme — far more ambitious than the partitioning of the Congolese Republic and which was to enable them to go on exploiting the country's ore resources — to prevent the decolonization both of the neighbouring and more distant African countries.

Now that the background of the Katanga case has been disclosed by a competent person and the world public informed of the identity of the real instigators of the resistance, it is reasonable to expect UN to bring pressure to bear on the colonial powers to make them cease their subversive activities. At the

same time it is to be hoped that UNO will intensify its efforts to ensure that the present campaign of the international forces in Katanga is brought to a successful end. It should be possible to achieve this, for the acting UN Secretary General, U Thant, has considerable military and material resources at his disposal, the World Organization's clear recommendations and decisions behind him, and the support of the vast majority of UN member-countries, including the USA.

It would be tragic for the cause of the Congo and for peace in Africa, as well as for the authority and future of the United Nations, if the UN in Katanga were to repeat its previous mistakes and take the path of compromise and concession owing to pressure from the colonial powers. Only complete suppression of the conspiracy in Katanga and the liquidation of secessionism will bring the sixteen months' crisis in the Congo to an end, and restore the reputation of the international forces.

NEW CRISIS IN THE CARIBBEAN

By N. OPAČIĆ

THE CARIBBEAN area has again become the scene of an alarming development, which threatens to shake the whole Latin-American continent. This time it is not only Cuba, around which the United States is weaving a new network of isolation and collective sanctions, that is involved; the political crisis in the Dominican Republic is becoming acute. In both cases the strained situation, which threatens to cause the deterioration of international relations, has not been brought about, not by internal processes, but solely by the interference of foreign elements.

Events in the Dominican Republic

The Dominican crisis has a previous history: a campaign to overthrow Trujillo's dictatorship was begun by Venezuela this summer. At the demand of Caracas, the Organization of American States (OAS) decided for sanctions which involved the breaking off of diplomatic relations with the Trujillo regime, as well as economic reprisals. The U. S. A. Government joined this action, partly because it found that the Trujillo regime, which it had supported during three full decades, had become "inadequate", but primarily in order to create a precedent for similar action against Cuba.

In this campaign Washington's attitude decided the fate of Trujillo and his family, who had held sovereign sway over branches of political and economic life, and who had succeeded in turning the whole country into their own family fief. For the first time, after thirty years of unprecedented violence and plunder, the people of the Dominican Republic gained a little fresh air, but not changes in the country's social and economic system. The overthrow of Trujillo's dictatorship did not mean the end of the institutions and other heritages of the old regime; and the establishment of the new executive power with the help of "the friendly presence" of the American Navy near the Dominican shore could not solve all the problems and dilemmas which inevitably arose when the autocratic regime collapsed. The post of President of the Republic was given to Balaguer, who had performed important political functions during the Trujillo regime.

The internal polarization of forces created two fronts. The opposition parties demanded, as the first step towards the democratization of the country, the

resignation of Balaguer, and the forming of a coalition government — with the representation of all parties, — for the transition period, until the general and presidential elections. This demand, which was supported by the majority of the Dominican people, was accompanied by a general strike, which affected all important economic sectors.

On the other side are the military leaders, who are demanding government by a military junta headed by Balaguer, and the adjournment of the question of general election for two years. Their programme means the sanctioning of the basic institutions from Trujillo's time and a refusal to make any drastic changes in the political and economic structure of the country. The clash between these conflicting internal tendencies has led to bloodshed, and to the introduction of emergency measures. Resistance to the opposition movements, which are striving to liquidate the remnants of the Trujillo system, has caused disturbances and general instability in the Caribbean situation, which is unstable enough as it is.

A special aspect of the Dominican crisis, one and the most important lies in foreign intervention, which hinders the solution of this internal conflict on the basis of the principles of non-interference and self-determination. The crisis has taken a course which the USA, after the "silent intervention" of its gunboats, obviously did not expect. Hence the concern in Washington about developments in the Caribbean.

When the Trujillo family made their exit from the scene, the United States feared that the vacuum following this change would provoke a movement of the masses, which could lead to the repetition of the events in Cuba, all the more so since social and political conditions in the Dominican Republic were conducive to revolutionary undertakings. The United States sanctioned Trujillo's departure, since the Kennedy Administration realized that on the soil of Latin America, where the movement for democratic forms of government and structural reforms is expanding doctrines in the spirit of the "Alliance for Progress" could not be preached when at the same time abominable regimes which were the negation of progress and democracy were being supported. In seeking a new formula which would give the illusion of democracy in form, but not affect the interests of the "United Fruit Company in the Caribbean area, or the political and economic domination of the United States in

this sphere,¹ the State Department was confronted with a complicated task. Its choice was Balaguer, or to be more accurate, the elements which would respect the old "rules of the game" in political, economic and inter-American relations, and where there would be no danger of their following the example of Castro or Quadros. This is why the fleet was sent to the Dominican waters: to prevent by its presence and by the threat of a landing, the third solution — the creation of an independent government to proclaim a programme of basic reform.

The crisis has not yet been solved, because the third factor — the Dominican people, who for decades have been deprived of their rights — refuse to be ignored. This accounts for the political and social process which has been started in the country of the Dominicans: a process actuated by a demand for the solution of those essential problems which are more or less characteristic of all Latin American countries.

The Action against Cuba

The tension over the Dominican Republic seems, however, to be only part of a wider undertaking which the USA is preparing in the Caribbean area. After long diplomatic preparations, including Stevens's visit to Argentina, the OAS Council decided a few days ago to convene a special conference of member-countries to discuss what measures should

¹ In her trade with the USA the Dominican Republic had a yearly debit of 20–80 million dollars. The profit made by the "United Fruit Company" in 1960 however, amounted to about 300 million dollars.

be taken to prevent "non-American influence" from spreading to the green continent.

Although the proposal was formally made by Columbia, and the name of Cuba is not mentioned in the resolution, it is obvious that the USA is launching a new action to organize collective pressure on the regime of Fidel Castro. As the efforts which have hitherto been exerted by Washington, including various forms of political pressure, an economic blockade, and even support for military invasion have not led to the overthrow of the Cuban government, the USA has obviously decided to begin a new offensive this time under the standard of OAS.

It is characteristic that, in addition to the opposition of Mexico, the largest and most important countries of the South American continent — Brazil, Argentina, Bolivia, Equador and Chile — abstained from voting on this resolution. Thus, the resolution was voted for only by the regimes over which the USA has decisive ascendancy, and which fear that the example set by Castro might provoke a similar storm in their own homes.

Be that as it may, it is certain that preparations for a collective action against Cuba are only leading to the sharpening of international relations in this part of the world, and not to a real solution of the problem which the case of Cuba has brought to the forefront. If relations between the USA and its southern neighbours continue to be dealt with in the old, outmoded manner, and if any movement for independence and economic and social progress is classed as "subversion", the question of Cuba, even without Fidel Castro, will not for a long time to come be deleted from the agenda in Latin America, concerning its relations with the United States.

INDEPENDENT TANGANYIKA

TANGANYIKA¹ is the first country on the soil of East Africa to win her independence, which was formally declared on December 9, 1961. This fact is of great importance not only to the internal development of Tanganyika, and her economic, social and cultural emancipation, but also to the movements in the neighbouring African countries which are still struggling for liberation from colonialist domination.

By ending her transitory period between decolonization and complete independence and winning her national and state sovereignty, Tanganyika has shown that, although the great anticolonial revolution in Africa is following different roads and that it is being developed in different ways, all these lead to one and the same aim — to liberty and independence. Regardless of the national forms and doctrines or decolonization the process of liberation is changing the political map of the continent at a rapid rate. Twenty years ago there were only four independent countries

in Africa; five years ago there were only nine; But today Tanganyika is the twenty-ninth African country to free itself from colonial or mandatory status.

It would be of great advantage if the powers which are still dreaming about the old times, and still living and fighting for the ethics and relations of the colonial era in Africa, would learn a lesson from this dynamic situation and adopt their attitude towards contemporary Africa and its problems to historical necessity.

Tanganyika's road from colonialist status to independence has been interesting and exceptional. She is one of the rare colonies to have passed through the process of decolonization relatively quickly and painlessly. It should be mentioned that she was the victim of British colonial conquest in Africa, and that her history started with the end of German East Africa, which was occupied by the allied nations after the Kaiser's defeat in 1918. Up to the second world war Tanganyika was under the mandate of the League of Nations, and from 1945 until her independence she was under British trusteeship.

A decisive role in the struggle for independence was played by the well-organised anticolonial movement rallied around Nyerere's African National Union

¹ Territory: 945,400 square kilometers population: 10,000,000 Economy: tropical plants: sugar cane, caoutchouc, cotton, sisal-grass, timber. There are great opportunities for the exploitation of natural wealth: coal, iron ore, lead, copper, gold, salt, etc. (Data from the Larousse Encyclopaedia).

of Tanganyika, which brought about the political unity of the people, in which, unlike some other African territories, it did not encounter difficulties caused by racial conflicts or dissemination. (There are about 20,000 British settlers in Tanganyika without stable positions in economy, and about 100,000 Asians). Confronted with the unity of the movement in Tanganyika, the British had to make concessions in the field of economic and social rights, and subsequently in the field of political emancipation: Tanganyika first obtained semi-selfgovernment, then selfgovernment; and on May 1, 1961 she obtained her first all-African government with Julius Nyerere as prime minister; while on December 9, 1961, Britain finally renounced her last

authority over the country in the field of foreign policy and defence.

Having made their own history, the government and people of Tanganyika are now giving priority, like the other underdeveloped countries in that region, to economic development and internal transformation. In addition to the non-aligned African policy in foreign affairs, which the government of Tanganyika has pursued from the very beginning, the policy of stepped-up development of productive forces, is — in view of the low economic level of the country — the only way which will make it possible for Tanganyika to join the international social division of labour and to take the place she is entitled to in world affairs.

N. O.

ECONOMIC PROBLEMS

ITALY AND WEST EUROPEAN ECONOMIC INTEGRATION

By Mihailo STEVOVIC

DURING the postwar period, and especially in recent years the Italian economy has proved to be intensely dynamic, and in rate of economic development Italy occupies one of the leading places among the western countries. This has necessitated and stimulated the development of increasingly wider and more intensive international economic relations through various forms of multilateral and bilateral economic co-operation. Italy's need for intensive economic relations with other countries is enhanced by weaknesses in the structure of the Italian economy, primarily the lack of a raw material basis: a fact which has made Italy largely dependent on movements in foreign trade, and susceptible to every change on the world market. This explains why Italy supports energetically all postwar forms of West European economic co-operation and integration.

There have also been important political reasons for such activity. In the process of the political and economic grouping which took place after the war and which led to the division of the world into blocs, Italy found her place in the West, and was a champion on western unity, Italy also took an active part in the formation and functioning of Western political and military organizations. For this reason "Atlantism" has been the leit-motif of postwar Italian foreign policy.

For some time now, however, the rigid framework and obligations which her membership in EEZ have imposed on Italy and their discriminatory nature in relation to third countries, as well as the contradictions arising from the development of the Italian economy itself, have been conflicting to an ever greater extent with Italy's need for a more liberal and flexible policy in the maintenance of intensive economic and other relations with the rest of the world, and thus threatening to detract from the notable results she has achieved in this field.

Italy sought to draw the maximum profit for her

economy from her participation in Western economic organization, while skilfully protecting her internal economic interests.

As a member of the Organisation for European Economic Co-Operation (OEEC), Italy received substantial American assistance, which helped her to accelerate her economic development, and in order to improve her foreign trade, she advocated greater liberalization within West European trade. Her need for expanding her exports, chiefly consisting of non-essential articles, also necessitated a more liberal import policy, but to prevent this from adversely affecting her home production, Italy protected herself by raising her customs tariff. The high degree of liberalization of imports enabled her to bring pressure to bear on other members of OEEC to liberalize their imports from Italy, while she also benefited from the multilateral system of payment within the scope of the European Payment Union.

Italy gained valuable experience from her participation in the European Coal and Steel Community. She ensured supplies of iron ore, ironscrap, coal and other raw materials of this kind for her ferrous metallurgy on terms identical with those of other members, while the large credits she obtained from the Community helped her to modernize her mines and ferrous metallurgical plants. After the first five years of membership in this Organization, she had doubled her production of crude steel, pig iron and rolled products.

During the period between the conference in Messina and the foundation of the Common Market and Euroatom, Italy exerted the maximum efforts to help realize the economic integration of the six West European countries.

Apart from general political and economic interests, important economic reasons of her own made Italy an enthusiastic champion of West European economic — unemployment and an uneven economic structure

— were either showing no improvement or gaining in severity. The tasks laid down by the "Plano Vanoni", designed to alleviate these problems, proved to be largely impracticable. At the end of the second year of the plan it was already clear that in spite of the internal and world economic boom, Italy would be unable to solve these problems within the time limit envisaged. That is why the idea of the Common Market met with wholehearted support in Italy, where it was expected that once it had been realized she would be able to shift her internal problems — unemployment and the need for stepping up the economic development of the backward south — to the international stage.

On the strength of the favourable experience gained from her participation in the European Coal and Steel Community, Italy expected that as a member of the Common Market she would again receive the bulk of the resources earmarked for financing the development of backward areas of member-countries to help her in the development of her southern provinces, while she also believed that the planned free movement of capital within EEZ would attract foreign capital and thus contribute to increase private investment in the area of Southern Italy. At the same time, the free movement of manpower, added to the internal efforts in this field, was expected, within a foreseeable time, to help to eliminate unemployment — a chronic problem of the Italian economy.

As for the Italian industry, it was considered that the large and modern plants would be capable of standing up to competition from the other member-countries, while the same was thought of many medium-sized enterprises. It was estimated, however, that a certain number of the smaller enterprises would be unable to withstand competition and that in the end they would collapse.

It is, however, the future of the Italian agriculture within the Common Market that is a matter of profound concern, both to the competent Italian authorities and to the farmers themselves. The existing problems — small land holdings, lack of investments, the problem of manpower and the resulting high production costs — have made it hard for agriculture to adjust itself to the newly-created situation. This applies above all to the production of wheat, livestock, dairy products and wine. On the other hand, considerable advantages are expected in fruit and vegetable production, thanks to favourable climatic conditions.

Judging from the movements in the Italian economy and the results achieved over the past three years, Italy's expectations seem to have been justified to some extent. A substantial and steady increase in the national income, a high level of industrial production and investment, record figures in foreign trade, a notable surplus in the balance of payment, a considerable amount of gold and dollar reserves and many other economic denominators (Italy was awarded the "Oscar" for the stability of the lira twice in succession) have made people talk and write about the "Italian economic miracle". In addition to this, Italy received most of the credits which the European Investment Bank approved for the development of backward areas within EEZ. The sum itself (150 million dollars up to the end of August 1961) though not impressive when compared with the needs of Southern Italy, is nevertheless notable symptomatically, from the point of view of the distribution of the fund set up for this purpose. The influx of private foreign capital has

increased considerably (in the 1948–1957 period it amounted to 613.1 million dollars, in the 1958–1960 period to 912.7 million dollars, and in 1960 alone 423.1 million dollars). The number of unemployed was reduced from 1,757,000 in 1957 to 1,546,000 in 1960. In the 1958–1960 period Italian imports rose by 61%, while exports went up by 50% — this being the greatest increase within EEZ.

But to ascribe these results to Italy's membership of EEZ alone would mean ignoring other factors which contributed to this development of the economy — factors which have little to do with Italy's membership of EEZ. First of all it should be recalled that the start of the implementation of the Rome agreements coincided with the emergence of the Italian economy from the stage of recession, and the revival of economic activity. This soon recorded a powerful expansion which, though at an increasingly slower rate, is still continuing. If we also recall the economic boom which prevailed at that time in nearly all West European countries, it is clear that the successes achieved are due to this economic boom, both as it affected Italy and in its effect on other countries. It remains to be seen how the Italian economy will react to conditions dissimilar to these.

The problems which still exist in the Italian economy, regardless of its favourable development, should not be ignored either, for expectations as regards their solution have by no means been realized. The discrepancies in the economic development of the north and the south are increasing rather than diminishing, and the national income of the north is increasing at a rate twice as fast as that of the south. The high percentage of unemployment is a problem weighing heavily on the Italian economy. Whereas industrial production is developing rapidly, agriculture is undergoing a severe crisis which is affecting the entire Italian economy, and especially Italy's economic relations with other countries, owing to growing protectionism.

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All this indicates that little attention has been paid to the possible consequences of Italy's membership of EEZ on her economic relations with third countries.

In addition to her successes in trade within EEZ, Italy has achieved notable results, especially in recent years, in trade with other countries, primarily with the East European countries, and to a lesser degree with Asian, African and Latin American countries. Last year, of all the western countries Italy achieved the greatest increase in trade with East European countries, and which the same can be said of her trade with the Asian, African and Latin American countries, and Italy approved large credits for the needs of those countries, with the aim of encouraging industrial exports.

In 1961, however, movements in Italian trade slowed down to a considerable extent compared with previous years. The deficit in the balance of trade increased, while trade with other members of EEZ rose at a slower rate, imports constantly rising faster than exports. The rate of increase was also markedly reduced in trade with East European countries, as well as with Asian, African and Latin American countries. Though imports from the USA increased substantially as a result of liberalization, Italian exports to the USA decreased, so that the deficit in the balance of payment with the USA rose.

Besides the declining boom there were other reasons of an entirely different nature for these movements in Italy's foreign trade. Her commitments within EEZ (discriminatory customs tariffs, etc.) on the one hand, and the internal measures which she undertook to protect certain branches of agricultural production (the embargo on livestock, meat and other imports) on the other, are factors largely responsible for the reduction or slowing down of the rhythm of Italian imports from countries outside EEZ, while they simultaneously affected Italian exports to those countries. The situation will progressively deteriorate as the discrepancy between the internal customs tariffs and the joint foreign customs tariff increases in scope, thereby affecting to a growing extent exports of third

countries to Italy. This will also reduce the effect of Italy's efforts in the field of crediting exports to the areas mentioned.

One cannot but ask whether such a development of economic relations with third countries really corresponds to the needs of the dynamic Italian economy, primarily in industry? Has the framework of EEZ, with its rigid norms and obligations and its discriminatory treatment of third countries, become too narrow and thus inadequate for the requirements of the Italian economy, in industry in particular? What does Italy gain for her economy, and what does she risk losing in the field of international economic relations?

The contradictions are apparent. Italy favours the fostering of Western economic integration, but the resulting obligations are impairing her relations with countries outside the integration areas. Italian exports need that further expansion which is essential for her economic development, but restrictions on Italian imports and discriminatory customs tariffs are making this difficult. The growing Italian industry could easily assert itself to an increasing extent on the world markets, but Italy's need for protecting definite branches of agriculture and her obligations within EEZ, are making it necessary to reduce exports of certain agricultural products from third countries, thus limiting the buying power of the countries concerned as regards Italian industrial products.

To solve all these problems it is primarily necessary to abolish restrictions on quantity, etc. and all discriminatory customs tariffs within EEZ. This would be in the interests not only of the Italian economy but of the economies of other members of EEZ as well and Italy's role in this process could be very important. But unless these measures are carried out, Italy and EEZ must be prepared to shoulder the responsibility for any distortions in international trade and for their harmful effect on third countries primarily on the economically underdeveloped countries. Such an effect would be detrimental to the needs and interests of the Italian economy, and to her economic relations with those countries.

ESSENTIAL TASKS OF GATT

By Ljubiša MILANOVIĆ

THE LAST SESSION of GATT is considered by many, if not a turning point, at least of great importance to its future activity in the development of international trade. In view of the resolutions of the conference at ministerial level which was held simultaneously with the GATT session, this judgement may be endorsed, although these resolutions do not mean the elimination of the obstacles standing in the way of normal development and the establishment of adequate relations in world trade. But nevertheless they offer the opportunity of making a step forward in the elimination of the contradictions which have become manifest in recent years and which are still more aggravated by the economic integration of the industrially developed countries.

Despite its steady growth, world trade has taken

a course in which the share of insufficiently developed countries is decreasing and that of the industrially developed areas increasing. According to GATT's data the share of the former decreased from 31.5 per cent in 1953 to 24.7 per cent in 1960, while the share of the latter, not including the Soviet Union, the East European countries and China, rose from 58.3 per cent to 63.3 in the same period. There is a similar tendency in the export of so-called basic products, which are the main source of the export earnings of underdeveloped countries; for in recent years industrial countries have increasingly become important exporters of these products too. In the period between 1953 and 1960 their export of basic products (excluding fuel), which, for them, are actually supplementary exports, increased by 56 per cent, while

exports from underdeveloped countries increased only by 14 per cent, i. e., no more than a quarter of the volume of the export from the advanced countries. This proportion, already unfavourable, is still more so if the relation of prices is taken into consideration. While the prices of finished products are rising, those of basic products are falling. Taking 100 in 1953 as the index figure, the export price of foodstuffs in the second quarter of 1961 was 85, of agricultural raw materials 95, of basic products as a whole, 92, and of coffee, tea and cocoabeans 70.

In this situation GATT, as long as it remained within its previous framework, could not be a sufficiently effective instrument for the development of trade. The development of international trade, and with it of the world economy as whole, which were faced with crucial problems imposed the necessity of solving these problems at least in part; as the numerous obstacles in the way of the full development of international exchange of foods and the establishment of normal and economically adequate trade were affecting not only the underdeveloped areas, but also the industrially developed countries, whose production potential calls for a wider market than the present one.

A More Equitable Conception of Reciprocity

The reduction of custom tariffs on a world scale constitutes one of GATT's principal activities. Experience has shown that the method applied hitherto for achieving this reduction is no longer adequate in the new situation which, involves an intensive process of economic integration. At the recent, nineteenth GATT session, a new method was adopted: the linear reduction of tariffs. But the decision to take into account the economic structure and other economic conditions of the GATT member-countries when the tariffs are being reduced, is still more important. Actually, an underdeveloped country cannot be expected to cut its tariffs to the same extent as a country whose highly developed industry is either in no need of protection, or needs much less than industries which are still in their infancy. The working group appointed at the session — when working out new methods and procedures for the further reduction of tariffs — will certainly pay attention to the new, more equitable and more realistic interpretation of reciprocity, officially adopted and confirmed in the resolutions of the conference of ministers.

The present practice of isolated tariff negotiations is to be abandoned too. The underdeveloped countries were firm in their insistence that the tariff negotiations should be conducted parallel with negotiations for the elimination of other barriers; but the industrial countries refused to link up these two problems. The resolution of the conference of ministers is absolutely clear: it states that the underdeveloped countries are prepared to join in efforts to reduce custom tariffs, on condition that they obtain actual trade advantages, especially in respect of the elimination of other, non-tariff obstacles.

The Agricultural Produce Trade

The ministerial conference endorsed the statement of experts regarding the detrimental effect of agrarian subsidies and other protective measures on the international exchange of agricultural commodities. Although there was not much disagreement over the recognition of the detrimental effect of agrarian

subsidizing (protectionism), it was quite different when the question of its relaxation was raised, not to speak of its abolition. This accounts for the vague formulation of the meeting's conclusions. They are the expression of a wish rather than a clear definition of the desired solution. A resolution was adopted calling for a working group to be appointed to investigate, as early as February, the problem of cereals, as well as that of other products, especially meat. But the principles on which these problems should be solved were not clearly defined. The French proposal, which served as the basis for the ministerial conclusion, was that the solution should be sought in adjusting the prices at which the industrially developed countries import such products, to the prices of their domestic products. This means the accommodation of imports to the inland cost of production, i. e., raising their price. This raises the problem of how to prevent the growth of production in the producing countries from being stimulated by the higher prices. Without going into the question of whether this system is workable or not, the question is whether it would lead to the abolition of agrarian subsidizing. If consistently implemented, it might mitigate its impact on the export of third countries or, to be more accurate, on the amount of their export earnings. But unprofitable agricultural production in the advanced countries, facilitated by protection and by the transfer of a portion of the national revenue earned in other branches, would remain. Third countries would obtain higher prices only for those needs of the industrial countries which are not covered by their own subsidized agricultural production. Thus the discrepancy between artificially favoured uneconomical production and rational international division of work would not be resolved. It would continue to exist.

Markets Should Be Made Accessible to Underdeveloped Countries

The conclusions of the Nineteenth Session were vague as regards the gradual elimination of the obstacles hindering the underdeveloped countries from holding the place corresponding to their potential international division of work in world trade. The Committee which studied this problem not only assessed the difficulties but proposed concrete solutions. The conclusions are a compromise between the "Programme of Action" of the nineteen nations and an American resolution. Although it would have been more constructive if the views of the underdeveloped countries had been fully endorsed, the conclusions nevertheless offer an opportunity of attaining significant results in the future. Admittedly, it is not sufficient to facilitate access to markets for the traditional export of underdeveloped countries (agricultural produce and raw materials); it is also necessary to enable them to sell their industrial products on the markets of other underdeveloped countries and, what is still more important, on the markets of industrially developed countries.

The programme for mitigating and eliminating the obstacles standing in the way of export from under

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developed countries, on the basis of the conclusions of the conference of ministers, and of the concrete proposals of the individual government is to be formulated at the beginning of February. The speed at which the programme will be set up and accepted, and the time required for carrying it out, will be of paramount importance to the whole action in general, and to the export earnings of the underdeveloped countries, which should accelerate their economic development.

In view of the measures to be taken immediately, (their terms are to be fixed wherever possible) and the growing influence of the underdeveloped countries on world trade and the world economy as a whole, the action to be launched by GATT is expected to yield prompt and constructive results. This will be facilitated if the joint action of the nineteen nations, initiated when these decisions were adopted, is continued while they are being carried. Actually, this joint action is one of the most significant features

of the Nineteenth Session, since it is the first time such a large group of countries, which included India, Pakistan, Brazil and Yugoslavia, linked together by their common interests, has acted jointly in GATT.

There are certain postulates in the decisions which were taken in part from the "Programme of Action" of nineteen nations, and these contributed a great deal to the success both of the conference of ministers and of the session itself. But this completes only part of the business. The decisions which have been adopted should be put into practice. In this connection two tendencies can be expected to manifest themselves in GATT: one to slow the process down, and the other to bring it to a successful end. GATT's future may depend on which of these two tendencies will prevail. There is some justification in expecting the underdeveloped countries to play a decisive role in this, in view of the experience of the Nineteenth GATT session.

YUGOSLAVIA TODAY

THE PRINCIPLE OF INCOME AND SOCIO-ECONOMIC DEVELOPMENT

By Dr Rikard ŠTAJNER

THIS YEAR marks a significant stage in the social and economic development of Yugoslavia. The basic characteristic of this process lies in a more consistent and comprehensive application of the principle of income of the social distribution of earnings.

What is the meaning of this principle if viewed from the angle of the mechanism of earning and the development of social relations?

It is a well-known fact that in their "classical" relationship workers (and employees) are paid by the owners of the means of production (capitalists or states), a wage-labour relationship thus being formed, since these wages and salaries are included in the costs of production; and after the settlement of the costs, a profit is left at the disposal of the owner, who manages the enterprise either directly or through his organs. This relationship gives rise many well-known anomalies and differences in the interests and social status of the participants in the process of production.

In Yugoslavia this method of forming and distributing the national (social) product is being abandoned, and the changes which have been introduced this year are a further step in this direction. To understand this better it should be recalled that in Yugoslavia all economic enterprises whose means of production are socially owned are managed by their workers' collectives, primarily through their workers' council. The collectives and their organs of self-management have the full right to determine the policy of

production as well as that of the work and development of their enterprises, and to decide on the disposal of their net earnings.

What do we mean when we say that the last remnants of the old categories are vanishing? The personal income of workers is no longer characterized as constituting an item in the production costs, and the former conception of pay and profit has disappeared. From its earnings the workers' collective settles, first of all, material costs and social obligations, which depend on the size of the productive resources managed by the collective. After that, the income or, to be more accurate, the net earning of the workers' is established. This amount is distributed by the workers' collective itself for the personal income of the members of the collective, and for investments to develop and modernize their enterprise and to improve their living standard by providing housing and other amenities, while a certain sum is set aside as a reserve in case of business difficulties.

Thus a new, unified category of income is created, including both means for personal consumption and part of the former "profit". The collective, having the unrestricted right to determine the disposal of the whole amount, is greatly interested in increasing its income by better methods of earning, since living conditions and the prospects of the collective depend on this. Thus the collective has cogent reasons for improving the organization of production so as to achieve the highest possible rate of productivity, for

this will yield a higher average rate of income per capita, at the same time increasing the personal income of every member. Hence it is understandable that it is the concern of the social community, both directly and indirectly, that every enterprise should earn a high income.

The essence of the new relations could be defined as follows: Workers (and employees) form an association to organize production and, after satisfying the common social needs, they themselves distribute the income they have earned through collective work and management. This means that there is no longer any wage-labour relationship, and that the century-old conflict between labour and capital, wages and profit and salaries and income has been basically overcome. In these conditions the economic position of workers in production, and their status in society have been radically changed.

This process is being intensified within the enterprises, the new forms of distribution of earnings having been successfully applied in many collectives for several years, while this year the basis for essential changes in the method of distribution has been established in all enterprises. The earnings of the workers have been higher when the enterprise has made successful transactions, but the distribution of the funds within the collective has made the workers interested primarily in their own, personal work and success, rather than in collective results. Forms of distribution are now being introduced to make the personal income of each worker and employee in the enterprise directly dependent on the results of their personal work, on the success of the organizational (economic) unit in which the workers or employees work, and on the success of their enterprise as a whole. In this way every member of the collective is interested, not only in his work in his own working place, but also in working as efficiently as possible for the organization and for the furtherance of the whole process of production.

Of course, the interest of the workers is not sufficient in itself, and it is necessary to create actual opportunities for them to influence the organization of work and rational transactions. In other words, it should be made possible for all workers to *manage their enterprises directly*, to assess problems on a wide plane (economical use of materials, better utilization of machines etc.), and to solve them jointly or to have them solved by experts. Experience has shown that result are incomparably better when these problems are the concern of all, than when they are the concern of only a few persons in the enterprise.

As it is practically impossible to reform these functions collectively in large enterprises, so-called economic units have been set up in most of these. The units are plants or departments containing ten, thirty or anything up to eighty or more workers and experts. The income of these units depends on their contribution to the overall success of the enterprise. Thus all the members of these small collectives within a large enterprise are concerned with the successful work both of their own units and of their enterprise as a whole, while at the same time they assess the problems of their own unit and solve them collectively. In many cases they are already able to distribute themselves the income they have jointly earned. To put it more precisely, they determine the criteria and standards for the distribution of income according to the working contribution of each worker to the collective success of the enterprise. The workers' councils

assign the collectives of economic units other rights and responsibilities as well.

This process is expanding in enterprises, a fact which is providing social relations with a new meaning. Every worker is also a manager, an active participant in all developments, aware of the fact that his standard of living and prospects depend on how he works for his enterprise and how he manages its affairs. Thus, for instance, the workers earmark of their own accord part of their joint income for investments so as to increase productivity in the following period, which, in turn, will increase their income. The workers are not subordinate to their directors, managers or foremen, for in the economic units workers, employees and experts make decisions and manage the affairs of their enterprise jointly and on an equal footing. Their manager is the expert organizer of production, working on the basis of division of work determined by joint decisions and in the interest of all. The workers themselves often elect the heads (managers) of their own economic units, and employ or dismiss fellow-workers in their units. In fact, they are no longer managed, but manage their own affairs jointly.

Similar processes have begun in the public services, including health, scientific and other institutions. The principle of income and self-management is now being applied in these institutions too, the income of such institutions being formed according to determined criteria, which depends on the success achieved by their workers' collective in satisfying social needs. Thus, for instance, the income of a hospital depends on how many people wish to obtain medical treatment there, which again depends on how the hospital's medical personnel behave towards their patients, on the success of its preventive measures and treatment, on the application of contemporary medical methods etc: hence the interest of the workers' collective in organizing their work in the best possible way through professional training and other measures, such as the investment of a portion of their income in the purchase of modern apparatus etc. This also accounts for their interest in joint discussions on the problems of their institution and in joint decisions for its improvement. The distribution of personal income depends on the results achieved by individual physicians, on the number of their patients etc. The earning the individual worker receives in return for his own work increases not only his own income but also that of the whole collective, which means the unification of individual and collective interests.

All these internal processes are achieved gradually, and depend on various objective and subjective factors. Some collectives have gone a long way ahead, while others are still in the early stages. In some cases the essential character of the category of income has not yet been properly understood, so that the changes have been only formally introduced. There are still some who do not yet realize that consistent distribution of earnings according to the results of work and direct self-management, stimulates the growth of labour productivity and speeds up the development of socialist relations in society. Besides this, there is difficulty in certain branches, especially in the public services, in setting up standards for measuring the results of work etc.

In spite of these difficulties and problems, the process is vigorous and is yielding good results, which proves that it is realistic and adequate in Yugoslav conditions.

NEW TASKS IN THE NUCLEAR FIELD

By Milorad RISTIĆ

THE plan for the development of nuclear energy in Yugoslavia, worked out by Federal Council for Nuclear Energy a year ago, has not yet been formulated definitely nor has it been officially adopted. But its basic principles have been laid down and preparations for its implementation are in full swing.

The basic principles of this plan constitute a turning point in nuclear work in Yugoslavia: the shifting of the previous, predominately academic orientation to that with a clear technologic objective. During the next five years the preliminary work for the construction of a nuclear power plant ranging between 50 and 100 megawatts will be completed, and this will enable Yugoslavia to construct additional nuclear power plants. These will be gradually included in the electric light and power industry of the country, as their economic advantages increase, so as to make up for the short supplies of energy which are anticipated in the near future.

This brief formulation of the basic principles of the plan shows the far-reaching effect and the complexity of the work to be performed. The tremendous scientific potential of nuclear institutes should be activated for the solution of purely economic and industrial problems, along with pioneer work in the field of science. The substantial investments of both manpower and material which have hitherto been made in the nuclear sector, should extend to a field whose importance will undoubtedly go far outside the need for nuclear power and other sources of energy. Actually, the construction of a nuclear power plant, to be followed by the erection of new, improved types of such plants, in keeping with economic needs, calls for the wide inclusion of industry in this work. It is known that the construction of nuclear plants depends more on up-to-date methods and materials than on specific ones. In other words, to engage the Yugoslav industry in the nuclear field means to raise it to a higher and more up-to-date level. When it is viewed from this aspect, the question of the temporarily uneconomical aspect of the use of nuclear energy loses some of its importance, all the more so when the prospects of this new source of energy in the near future are taken into consideration.

The following example may provide some idea of the extent of the prospects of nuclear energy. Today in Yugoslavia the price of fuel (within the structure of the price for electric energy) from a nuclear plant of the gas-graphite type, amounts to about 11.7 dinars per kilowatt-hour. This corresponds to the degree of utilization of the uranium and of the heat generated by it, as well as to the domestic price of this fuel. But the elements deciding the price of a kilowatt-hour are subject to changes brought about by the technical improvement of nuclear reactors, coupled with advanced technological methods in the production of fuel, and the discovery of richer sources of ores. If these elements are changed within these practical and foreseeable bounds, the price may drop as low as

2.1 dinars per kilowatt-hour, which corresponds to the minimum cost of coal in the classical caloric electric power plants in Yugoslavia. In fact, it is the volume of investment which causes concern in connection with nuclear power plants, but there are many ways to cut this radically. Taking 100 as the investment in Colder Hall, the first British nuclear electric power plant, the figures of the second (Bradwell) dropped to 80, while with the sixth (Dungaress) they will drop to 60 and with the tenth (to be put into operation in 1970) to 50.

As pointed out, the fact that the engagement of industry within a wider scope will require qualitative improvement is of greater importance to Yugoslavia than the aspects of economical use. To illustrate the effect expected from the construction of the first nuclear electric power plant in Yugoslavia on the Yugoslav industry, it should be stressed that the electric power and engineering industries can perform work in the value of 18 to 35 milliard dinars for the execution of this project. But a still clearer picture of the import of the whole undertaking will be gained by the analysis of the problem of trained personnel, and of the development of scientific research work in Yugoslavia in general.

The contemporary state relies on science to further all branches of activity. According to certain modern concepts, the degree of scientific development is the criterium by which the degree of development and economy are indebted to scientific research work for their development; but science alone does not suffice if it is not actively engaged in making decisions on all questions which are within the reach of rational analysis. Thus, this concept might perhaps be amended by the following statement: in addition to the degree of scientific development, the criterium by which the development of a state is measured is the role played by scientific arguments in decision-making. In this connection it has been observed that nuclear research work is more developed in Yugoslavia than that of other scientific branches, which is, in general, a shortcoming, as well as an obstacle in the further development and practical application of nuclear energy. The belief is growing that the scientific basis should be radically widened, along with the decentralization of scientific research work, with a view to establishing the closest possible link between basic and applied sciences, not by subordinating one to the other, or handling them parallel, but by treating them as inseparable components of scientific progress in general. An analysis of this conception leads us to the conclusion that the crux of this problem is the shortage of trained personnel. The logical answer to this question is the training of additional personnel but a still more urgent problem comes to the forefront: the raising of the efficacy of work and the more rational utilization of scientific workers.

The institutes of the Federal Committee for Nuclear Energy, as powerful and relatively well organized

institutions even when measured by world standards, may play an important role in this situation. The assistance they can render in training and specializing scientific workers of various qualifications is invaluable, and whether these scientific workers are trained for working in the nuclear branch is not of primary importance. What really matters is that they should become competent specialists and research workers in a branch of science whose bounds of application are practically unknown. The "process of fertilizing" important scientific institutes in Yugoslavia may serve as an example of this development. This process has already begun, and its further course can be clearly traced. Towards the middle of this year, the "Boris Kidrič" Institute of Vinča separated a whole organizational unit from its own body to incorporate it into another institution. This unit, the laboratory for automation in the Institute of Vinča, had outgrown the needs of the Institute and developed its potential for the problems of automation in the broadest sense of the word. The "Mihajlo Pupin" Institute, which has taken it over, was smaller than this laboratory, but with its addition, the "Mihajlo Pupin" Institute has now become a powerful and independent research centre in the field of electronics and automation and will play an important role in the progress and modernization of the Yugoslav industry.

Similar processes are manifest in other branches of the great research centre at Vinča. They include production and application of marked compounds, and some fields of biology, physics and physical chemistry, especially spectro-chemistry, thermodynamics etc.

Another form of direct assistance in the training of qualified personnel is rendered by the active participation of the scientists on the staff of these institutions in undergraduate and post-graduate instruction at the universities.

The question of how to evaluate the level of scientific research work and the achievements of scientific workers can be solved in a comparatively easy way and on a broad plane, with the help of such experienced research collectives as are working in the nuclear institutes. These institutes are already recognized as the criterium for establishing a scale of values in a number of scientific branches, but with better methods of organization this criterium will be applicable more generally and effectively in the future. However, it is difficult to assess the scope and importance of this question, since it is closely linked with the raising of the authority of scientific arguments and of the efficiency of scientific workers in general. This accounts for the great responsibility of the most advanced scientific collectives in fields where their initiative and help are anticipated.

Points from the Press Conferences

Drago Kunc, spokesman for the Yugoslav State Secretariat for Foreign Affairs, held press conferences for home and foreign journalists, at which he answered questions regarding current international problems.

December 8

The case of the Yugoslav Consul. — "With reference to the case of Grabovac, Yugoslav Consul in the Federal German Republic, the Yugoslav government did not re-

ceive any request for his recall, but never the less decided to recall him immediately. He has already left the territory of the Federal German Republic".

The statement of Mr. Ismet Ineni. — "We welcome the statement of Mr. Ismet Ineni, the Prime Minister of Turkey, about his government's desire to develop relations with Yugoslavia, to the two countries' mutual interest. This is also the Yugoslav desire".

Yugoslav-Italian Minority Questions. — "The meetings of the Mixed Committee for the solution of Yugoslav-Italian minority questions started in Belgrade a few days ago. The Committee has been discussing questions pertaining to the position and rights of the minorities in Italy and Yugoslavia, and to the implementation of the international obligations regarding the minorities, which both sides took upon themselves by the London agreement".

China and the U.N. — "Yugoslavia's principled attitude on the need for China to take her place in UN remains the same, regardless of the fact the Federative Peoples' Republic of Yugoslavia is the target of constant attacks by the government and representatives of the Peoples Republic of China, who do not even dare to inform their public about this consistent Yugoslav attitude regarding China's representation in the World Organization".

Mr. Karamanlis's statement. — "The statement made by Mr Karamanlis, Prime Minister of Greece, about relations between Yugoslavia and Greece, contributes to the promotion of cooperation between the two countries".

Situation in the Congo. — "We consider that the UN Command in the Congo should — together with the Central Government — start energetic implementation of the UN resolutions and the elimination of foreign intervention, in the preservation of the unity of the Republic of Congo".

Mr. O'Brien's Resignation. — "The resignation of Mr. O'Brien, the former UN representative in Katanga, and his condemnation of certain Western governments because of the role they played there, confirms the correctness of the Yugoslav attitude, and of the arguments which Yugoslavia put forward about the situation in that country".

Negotiations with the U.S.A. — "The Negotiations for the delivery of US wheat to Yugoslavia are making good progress: contacts between the Yugoslav State Secretariat for Foreign Affairs and the Embassy of the USA in Belgrade have been established, and talks will start shortly".

The Situation on the Chinese-Indian Frontier. — "Regarding the new tension on the Chinese-Indian frontier, we consider that such questions can be solved successfully only by direct negotiation between the interested parties, without the imposition of unilateral solutions or the use of force".

December 15

Exchange of Messages between Tito and Haile Selassie. — "The recent exchange of messages between President Tito and the Emperor Haile Selassie is part of the established practice of exchange of messages between our President and the heads of other friendly countries".

Agreement between U.S.S.R. and U.S.A. — "Yugoslavia welcomes the agreement between the U.S.S.R. and the U.S.A. on the composition of the disarmament negotiation body; we are convinced that the participation of the non-aligned countries in the forthcoming negotiations will be useful".

The Congo. — "We consider that the UN Mission and Headquarters in the Congo should solve all problems in

the closest cooperation with the Central Congolese Government".

Tanganyika. — "Consistent to her principles of supporting African nations in their struggle for independence, Yugoslavia welcomes the achievement of independence of Tanganyika and immediately agrees with her upon the establishment of the closest possible friendly relations on the political, economical, cultural and other field".

Disarmament. — "We wish to express our particular satisfaction that the ideas put forward in the Belgrade Declaration, concerning the indispensability of the participation of non-aligned countries in all future disarmament negotiations, are reflected in the composition of the negotiating body".

Economic Cooperation of Non-Aligned Countries. — "The problem of connecting non-aligned countries in the solution of economic problems and in economic cooperation is becoming increasingly urgent in view of the development of integrating movements in the world. But we cannot yet state anything concrete about the methods for approaching this problem".

Initiative of Angola Leader. — "We consider as most appropriate the proposal by Andreade, one of the Angolan, leaders, that a conference of the African countries should be convened to discuss the measures to be taken against the colonial policy of the Portuguese Government in Central Africa".

Statement of Averoff. — "In connection with the statement by Mr. Averoff, Greek Minister of Foreign Affairs, that there exists no Macedonian minority in Greece, we can say that this standpoint of the Greek Government is well known. The Yugoslav standpoint is also known, and it consists in the assertion that there exists a Macedonian minority in Greece. In our experience with minorities, which are numerous here, the recognition of facts and of the position and interests of minorities is the best way to render them a constructive factor rather than a hindrance to the countries concerned".

Relations between Albania and the U.S.S.R. — "From the point of view of the development of international cooperation, we consider it unfavourable that the situation of mutual relations between any countries should be such as to lead to the breaking off of relations".

Meetings and Talks

Official

Marin Cetinić in Ethiopia. — Marin Cetinić, member of the Yugoslav Federal Executive Council, at the Invitation of Emperor Haile Selassie, attended the ceremony of the opening to traffic of the new Ethiopian port of Assab, which took place on December 2. This port was built by the "Pomgrad" enterprise of Yugoslavia.

Milka and Miloš Minić in Great Britain. — Miloš Minić, President of the Executive Council of Serbia and Milka Minić, chairman of the Committee for Education of the Federal Peoples' Assembly, visited Great Britain from December 3 to 14, at the invitation of the British Government.

Trigve Lie in Belgrade. — Mr. Trigve Lie, special economic advisor of the Norwegian Government, former Secretary General of UN, and Mr. Aga Ove, Director General of the Norwegian state aluminium factories stayed in Belgrade from December 2 to 8. They discussed with representatives of the Yugoslav Government cooperation between the two countries in the production of bauxite and aluminium.

A Yugoslav Delegation in Tanganyika. — A Yugoslav government delegation, headed by Krsto Popivoda, member of the Yugoslav Federal Executive Council, attended the celebrations in connection with the proclamation of the independence of Tanganyika, held in Dar es Salam on December 9.

The Trade Union Federation

Vukmanović in Moscow. — A delegation of the Yugoslav Trade Union Federation, headed by Svetozar Vukmanović its president, attended the fifth Congress of the World Trade Union Federation, held in Moscow from December 4 to 16.

A Representative of the Sohio Trade Unions in Belgrade. — Mr. Kineni Kubota, a functionary of the Japanese SOHIO trade union organization, paid a visit to Yugoslavia from December 5 to 15, as a guest of the Central Council of the Yugoslav Trade Union Federation.

Yugoslav Trade Union Leader in Venezuela and Bolivia. — Stevo Bevandić, President of the Central Committee of the Mine Workers' Union, left for Venezuela and Bolivia on December 12, for a stay until the end of this month as guest of the Trade Unions there.

Socialist Alliance

Delegation of the Socialist Alliance in Chile. — A delegation of the Socialist Alliance of the Working People of Yugoslavia, headed by Mika Špiljak, member of the Federal Council of Alliance, left for Santiago de Chile on December 8, to attend the congress of the Socialist Party of Chile.

Culture

Ivo Andrić in Stockholm. — Ivo Andrić, the Yugoslav writer, has been on a visit to Stockholm since December 6. He was presented with the 1961 Nobel Prize for Literature, awarded to him by the Swedish Academy of Science, at an official ceremony on December 10.

Peoples' Youth

Mika Tripalo in Sofia. — Mika Tripalo, chairman of the Central Committee of the Peoples Youth of Yugoslavia, paid a visit to Sofia in the first half of December, where he discussed with Ivan Kabadžijev, the secretary of the Central Committee of the Dimitri Communist Youth of Bulgaria, questions of cooperation between the two organizations.

Interurban cooperation

Delegation of the Town Council of Budapest. — Representatives of the Town Council of Budapest, headed by Jožef Veresh, its chairman, arrived in Belgrade on December 11, thus returning the visit to Budapest of a similar delegation from Belgrade.

Divers

Italian Economists. — Three Italian economists, Vincenzo Vitello, Eugenio Fedia and Mario Massarino, stayed in Belgrade, in the first half of December, as guests of the Yugoslav Institute for International Politics and Economics, where they discussed certain international economic problems.

Health Delegation in the Soviet Union. — A Yugoslav health delegation left for the Soviet Union on December 9 for a two-week visit to get acquainted with the organization of health protection service in the Soviet Union and with the opportunities for closer cooperation.

Kurushima in Yugoslavia. — Hidesoburo Kurushima, President of the Society of the Friends of Yugoslavia and Japan, who is a prominent personality in the economic and public life of Japan, arrived in Belgrade on December 12 on a visit of fifteen days.

INVEST – IMPORT

EXPORT AND IMPORT ENTERPRISE FOR INDUSTRIAL EQUIPMENT

BELGRADE

Invest-Import ranks among the largest export-import organizations in Yugoslavia. Its turnover, which was about 100 million dollars in 1960, reached about 150 million dollars this year.

A large number of modern factories in Yugoslavia have purchased their complete equipment through „Invest-Import”, while many Yugoslav manufacturers export their products to all parts of the world through this large enterprise.

By enlarging its export activity on a steadily increasing scale, Invest-Import has won a high reputation on foreign markets as an organization for engineering and executing important projects successfully. In India it is completing the Barauni thermoelectric power plant of 45,000 KW and the Durgapur-Calcutta gas-pipeline to a length of 200 kilometers, while the draining of the Salt Lakes near Calcutta is in progress. In Liban the construction of the Latani hydro-electric power plant system and the building of the Nahr el Bare Dam are in their final stages. In Ethiopia the construction of a brickyard, a slaughter-house with a refrigerating plant, a flax spinning-mill, and a soap factory have been completed. The designing of the Addis Ababa radio station has been completed, too. „Invest-Import” is delivering several tannin factories, a great number of small hydro-electric power plants and ten ships to Indonesia, and a new leather factory has been put into operation in Sudan, Invest-Import having supplied the whole equipment and undertaken its assembly.

The products of machine construction, electrical manufacturing and rolling-stock factories also hold an important place in Invest-Import's export activity. While the export of machine tools is increasing year by year, the export of rolling-stock and of the products of cable factories has been considerable for years now. In the period of 1953–1960 alone, Invest-Import delivered 2,000 railway cars to Turkey, 1,200 to the U. S. S. R., about 150 to Egypt, 100 to Burma, 600 to East Germany etc. The bulk of this export consisted of freight cars, open and covered, tank cars, special cars for timber and cattle, mail coaches and platform-trucks.

Here is a brief survey of Invest-Import's export and import activity:



EXPORT:

Products of the cable industry, electric equipment and appliances, railway cars, bridges, machine tools and woodworking machines, pumps, diesel and electro engines, ships and ship's equipment, building and mining machines, milling and textile machines, diesel electric units, welding units, material for water conduits and sewer systems, sanitary equipment etc. Complete equipment for glass, leather, cement, sugar, food canning, cardboard, brick, steel construction, soap, wooden and steel furniture—factories etc. Equipment for shipyards, all kinds of silos, separation units in mining, sintering, plants, caloric and hydro-power plants etc.

IMPORT:

Complete or partial plants, special machines and spare parts for all branches of industry.

Agents in Yugoslavia:

Zagreb, Gajeva ul. 7, telephone 34-113

Sarajevo, Jugoslovenske Narodne Armije 44,
telephone 30-12

Ljubljana, Tugomerjeva br. 52, telephone 30-037

Representations abroad:

in Egypt, Lebanon, Burma, India, Indonesia, Sudan, and the U. S. A.

Ivan Milutinović

The Ivan Milutinović Enterprise of Belgrade ranks among the leading Yugoslav enterprises for the building and maintenance of waterways. It is one of the rare collectives of its kind, whose reputation has been earned not only owing to the high level of its workmanship, but also to long experience in the construction of navigable channels and projects for water communications. The tradition of the enterprise dates back to 1926, when there were created in Yugoslavia the Hydro-Construction Enterprise, the Salvaging Enterprise for hoisting sunken ships, and the Dunav Enterprise for the regulation and maintenance of waterways, which were later merged into the Ivan Milutinović enterprise, named after Ivan Milutinović, a hero of the Yugoslav Liberation War. In 1957 the large Djerdap and Grad quarries, on the banks of the Danube near the town of Golubac, were incorporated in the Ivan Milutinović enterprise.

The Ivan Milutinović enterprise specializes in the following fields:

- Building of navigable canals, harbours, shipyards and other hydraulic and building projects;
- Maintenance of waterways (dredging, hoisting of sunken ships and other objects);
- hydraulic recalculation of coastal terrains;
- production, transport (by watercraft) processing and sale of gravel, sand and stones;
- transport service by watercraft;
- rendering of services by floating cranes, and by diving and pumping installations;
- photography of water courses, coastal terrains and areas, probing of bores, investigation of water courses and coastal areas;
- working out of dredging projects, designing of all kinds of hydraulic projects, submerged and on coastal terrains, to regulate water courses and navigable waterways, as well as projects for the improvement of terrains by using hydraulic power and all other kinds of construction work;
- working out of investment programmes, blueprints and main projects in the domain of hydraulic construction, underground structures, building construction, watercraft and other work.

For the successful execution of these complicated works the enterprise has extensive equipment, especially for hydraulic construction. Moreover, it has at its disposal well-trained and experienced experts for the engineering and execution of the kinds of work mentioned. Owing to its steady progress and specialization, the enterprise has achieved a level of organization which allows it to appear on both domestic and foreign terrains as a designer

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Building of the Sava harbour in Belgrade



Building of the Danube-Tisa-Danube canal



ENTERPRISE SPECIALIZED IN THE BUILDING OF WATERWAYS

and performer of the most complicated works in its field of activity.

The most important projects the enterprise has built or is building abroad include the shipyards in Akyab and in Rangoon in Burma, the compressor plant of Durgapur in India and the earthworks for New Calcutta in West Bengal (the reclamation of the so-called Salt Lake area near Calcutta, on a surface of about ten square kilometers, with regulated sand from the Hoogly river, to the amount of 19,000,000 cubic meters, at an average distance of six kilometers from the river).

In Yugoslavia, the Ivan Milutinović enterprise is engaged in the carrying out of major investment programmes, including

- the construction of the Danube cargo harbour for the city of Belgrade (with 1,800 meters of reinforced banks on the Danube, including slanted quay walls, two harbour basins with semivertical and vertical quay walls etc.);

- regulation of the lower course of the Velika Morava river to a length of 36 kilometers;

- erection of the cargo harbour on the Danube near Prahovo with a yearly capacity of 1,750,000 tons;

- construction of the industrial basin harbour on the Danube near Pančevo;

- works on the Danube—Tisa—Danube canal in Vojvodina (building of new amelioration and navigable canals 220 km long for ships with a carrying capacity of up to 1,200 tons);

- earthworks for New Belgrade (reclamation of a surface of about 4 square kilometers on the right bank of the Danube near Belgrade).

In addition to these major projects the enterprise carried out the following works in the period from 1951 to 1961:

Several smaller harbours at Apatin, Vukovar and Novi Sad on the Danube, at Zabrežje and Brčko on the Sava, and at Osijek on the Drava River; an embankment across the Skadarsko Lake for the Belgrade—Bar main road; a number of hydro-technical projects, such as the Belgrade hydro-junction where the Sava flows into the Danube etc.; and regulating structures on the Sava, Drava, Danube and Morača rivers. The enterprise has also dredged the navigable parts of the Sava and the Danube.

Thanks to its experts, to its large stocks of machinery and other devices, and to the quality of the works it has executed, the Ivan Milutinović enterprise has attracted notice as a reliable and welcome business partner, competing successfully with well-known firms in the field of waterway structures and hydraulic construction.

A floating dredge



Embankment on the Belgrade—Bar railway line





The ZENICA Steel and Iron Works

THE Zenica Steel and Iron Works ranks high among the enterprises of the Yugoslav economy. The place held by Zenica in the Yugoslav economy is of paramount importance, not only as regards the volume and the value of its production, but also because of the prominent role played by the steel and industry in the general pattern of the Yugoslav industry, this branch being the leading branch in the Yugoslav economy. Any enlargement of productive capacity within this branch of the economy should considerably further the satisfaction of the overall Yugoslav demand for steel and at the same time create possibilities for increased exports of steel products. Thanks to this development Zenica will grow to world importance.

During seven decades of activity the Zenica Works has acquired a large tradition as producer and processor of steel. During these seven decades there were intermittent periods of prosperity, stagnation, and recession, and this lasted until the end of World War II. After the war the Zenica enterprise has grown into a large integrated iron and steel works, and occupies today a position of key importance in the Yugoslav metallurgical industry and in the Yugoslav economy as a whole.

The results so far obtained show that the Zenica Works has succeeded in achieving an annual production of 720,000 tons of crude steel, a proof that the productive capacity of the steel mill is fully utilized as regards quantities and assortment of the goods produced. Thanks to its pattern of production the Zenica Steel mill is fully oriented towards large scale production of rolled products, with the exception of flat products, such as plates and sheets and strips. The production programme of the Zenica Works comprises a good number of products in various intermittent stages of production, but the most characteristic items in their assortment are the products of the rolling mill, the forge, the tyre rolling mill and of the wheel rolling mill. But, in order to give the reader a complete picture of the production programme for all the basic and secondary articles, we shall give here a complete survey of products, according to stage of production, beginning with coke and ending with rolled products forged products.

The main products of the coking plant is metallurgical coke whose entire output is utilized for the manufacture of pig iron in the blast furnaces. By-products of the coking plant are crude tar, crude naphthalene, crude benzol and ammonium sulphate. All these articles are being sold on the market. Gas obtained from coking is entirely utilized as fuel in the enterprise.

The main product of the blast furnaces is pig iron which is entirely consumed in the steel department for the production of crude steel. Among the secondary products of the blast furnaces we may mention granulated slag and crude lead, which are being sold on the market, while the blast furnace gas is being utilized in the enterprise for fuelling purposes.

The melting shop produces crude open hearth steel and electric steel in various carbon and alloyed qualities, exclusively destined for further processing in the rolling mills and in the forge shop. Cast steel is also being produced but is exclusively utilized in the plant.

The Blooming mill converts ingots into semi-manufactures which are exclusively utilized for further processing in the rolling mills and the forge shop, while the rolling mills for finished products manufacture rolled products described below...

Standard Gauge Rails. Among standard-gauge rails the first place is held by the German type S 45 A rail, weight



45.25 kg/m, of 91.33 lb/yd for which the Zenica enterprise delivers complete rail accessories. The second is the British type standard gauge rail, the 90 R, weight 44/64 kg/m, or 90 lb/yd, which is now being delivered without accessories. Follows the Austrian type standard-gauge rail Xa weight 35.48 kg/m or 71.53 lb/yd and the Austrian type standard-gauge rail IVa, weight 22.12 kg/m or 44.60 lb/yd which is also being delivered with complete rail accessories. Standard gauge-rails and rail accessories are being manufactured according to Yugoslav standard (JUS), but, in addition, particular standards of some foreign countries are being utilized, such as British, and Indian standards, and the standards of the International Railway Union (UIC).

Narrow-gauge Rails. The Zenica enterprise manufactures three of 12.5 kg/m or 25.20 lb/yd; the second type of rail has a types of narrow-gauge rails: the first type of rail has a weight of 9.5 kg/m or 19.15 lb/yd, and the third type of rails has a weight of 7 kg/m or 14.11 lb/yd. These rails are delivered together with rail accessories, and may be utilized in forests and in mines.

All these rails are being manufactured from basic openhearth steel. For the time being the rails are exclusively made from carbon steel without controlled cooling, but preparations are being made to start the production of medium-manganese rails with controlled cooling.

Joists and Channels. The Zenica enterprise manufactures joists in dimensions from INP 8 to INP 40 and channels in dimensions from UNP 6.5 to UNP 30.

Angles. The enterprise manufactures equal angles in dimensions from 20×20×3 to 200×200×3 and unequal angles in dimensions from 40×60×6 to 100×200×12 millimeters.

Shipbuilding Sections. For the shipbuilding the following types of sections are rolled down: Spanten in dimensions from 400×12 to 400×16 mm and Holland, in dimensions 180×8 to 180×11 mm as well as of 220×10 and 220×12 millimeters. The quality of steel used in the production of these articles corresponds to the specifications of International Classification Societies.

Various Small Sections: Apart from standard sections the Zenica enterprise manufactures post sections and window sash sections of various dimensions, as well as T sections of various models.

Round Bars: Round bars are being produced in dimensions ranging from 6 mm to 30 mm, with many usual intermittent dimensions.

Concrete Reinforcement Steel Bars: Concrete reinforcement steel rods being manufactured in dimensions ranging from 6 to 10 mm.

Drawn Wire: Drawn wire is being manufactured in dimensions ranging from 6 to 10 mm.

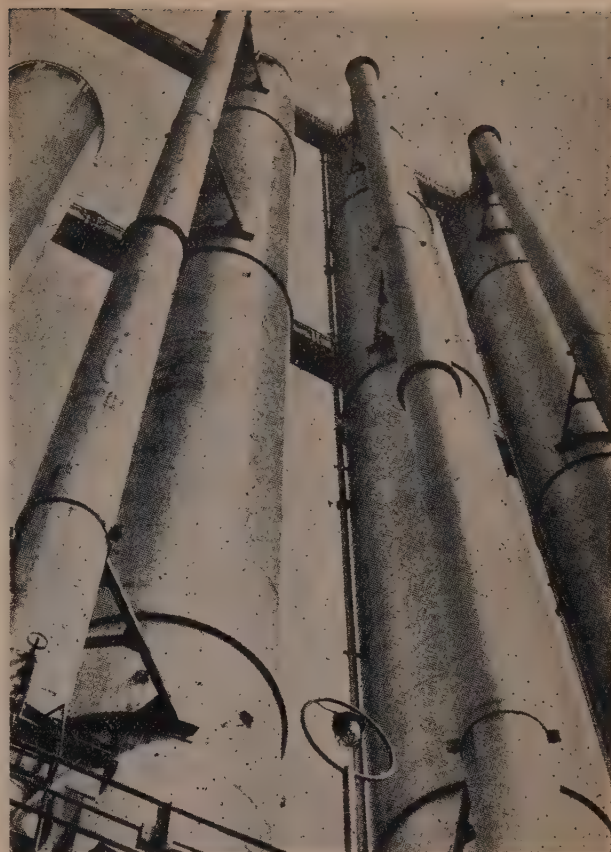
Square Bars: Square bars are being manufactured in the form of rods ranging from the square 8×8 to the square 90×90 mm.

Flats: Flats are being manufactured in rods, in dimensions ranging from 20×3 to 150×40 mm.

Tyres and Wheels: The Zenica enterprise manufactures railway tyres and wheels for locomotives and railway cars, in various dimensions.

Forged products: The forgeshop produces forgings on hammers and presses. Forgings are made from open hearth and electric steel in carbon and alloyed qualities. With the aid of presses various forgings are made for shipbuilding, such as ship propeller shafts, crankshafts, rings, tubes, crane, hooks, etc. In the forge, the tyre rolling mill and the wheel rolling mill, complete heat treatment is performed, and, for the time being, only rough machining of products.

We have given here only a general picture of the production programme of the Zenica enterprise, without a detailed specification of particular products, with all their technological properties. It seems clear that within the general framework of the production programme



there are very many products not specified in detail, because detailed data can only be found in the lists published by the enterprise. Preparations are in course, to begin with the production of section for the mining industry and of high quality concrete reinforcement bars.

The Zenica Works is particularly fitted to adjust its production to world standards, thanks to modern machinery, and to the staff of skilled technicians and workers, having a long experience. The rolled and forged products are primarily manufactured according to Yugoslav standards (JUS), German standards (DIN) and British standards (BSS). But, it should be said that the dimensions of products and the tolerances are exclusively in millimeters. By that we do not mean that the possibilities of production are limited to the above standards. The Zenica Works is also perfectly capable of manufacturing goods, according to other foreign standards. This has already been confirmed in practice. The possibility should be emphasized for Zenica to manufacture goods on order, so that particular clauses stipulated by contract may be applied, as regards quality, chemical content, mechanical properties, and tolerances. The same pertains to forgings which may also be produced to order, in utilizing the designs furnished by the buyers.

The delivery of goods may also be performed in more than one way, determined by the practice. First of all, the Zenica Works may deliver goods with certificates which are issued only after complete control. The control is very rigorous, so that it furnishes a maximum of guarantee for the quality of goods. The second is the delivery in the plant, in presence of a duly appointed representative of the buyer. In that case the enterprise permits the said representative to make a full control inspection, by placing at his disposal the necessary apparatus for measur-



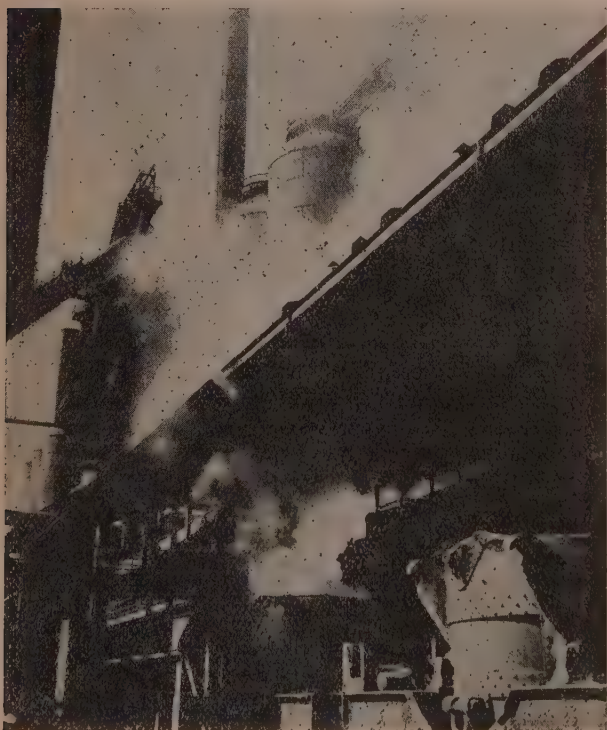
ing and testing the goods, in order to verify their quality. Another way is the delivery of goods to a world reputed Classification Society, such as the Lloyd's, the Bureau Veritas, etc. The procedure of delivery and acceptance depends in any concrete case on the kind of goods to be delivered, but in principle the buyer has to decide on the manner of delivery, and acceptance, which is then stipulated in the contract concluded with the enterprise. The prevailing practice is the first method, namely the delivery with certificate is the most frequently utilized, but there were also cases where the other alternative methods were utilized.

The finishing, packing and signing of goods is performed in the most appropriate way, according to international practices, but dependend also on the kind of goods and on many other factors. The enterprise is quite willing to respect the desires of the buyer which must be stipulated in the contract, under appropriate conditions. The method of packing, the weight of units and other similar elements may be adapted to the requirements of particular kinds of transports — by sea, rail or inland waters.

From the above data we may gather that the Zenica enterprise is capable of manufacturing a large variety of rolled and forged products, of various sizes and qualities, in adapting its production to national or international standards or to requirements fixed by contract. On the other hand, the enterprise assumes the full guarantee for the quality of its products, in all their elements. Having in view the fact that good communication lines link Zenica to all other Yugoslav regions, to Yugoslav seaports, and through the European network of railway lines, to foreign markets, it is clear that Zenica may easily handle the problem of transportation of its products.

Despite the fact, that the present output figures of Zenica are ten times higher than the prewar record figures, the enterprise sells the major part of its production on the domestic market — a fact which can be attributed to the intensive growth of the Yugoslav industry and transportation system, and to the continuous improvement of the living standards of the Yugoslav population.

By the very fact of its diversified and high quality production, the products of the Zenica Steel and Iron



Works have a wide field of application in the Yugoslav economy, either in the form in which they have been delivered by the Works, or in the form they have received through subsequent processing; this depends, of course, on the kind of product and on the purpose for which it has been made. The Yugoslav railway network has been built with rails and rail accessories produced and delivered by the Zenica Works. Rails and switches manufactured by the Zenica Works are now being utilized in South Eastern Asia. A great number of railway cars and locomotives are equipped with steel tyres produced by the Zenica Works, and the number of railway cars and locomotives equipped with wheels, tyres and wheel sets manufactured by Zenica is steadily on the increase.

Ships which have been built in Yugoslav shipyards are equipped with shafts manufactured by the Zenica Works, but its role as a supplier of Yugoslav shipyards is not limited to that item. The Yugoslav shipyards are buyers of various forgings, of Spanten and Holland sections as well as of other products manufactured by the Zenica Works. After seven new departments of the Zenica Works are completed, the enterprise shall be able to sell articles with a higher degree of processing to the shipyards.

The products of Zenica are being utilized for further processing in many industrial branches. Rolled steel wires are being processed into drawn wires, and the drawn wires are, in turn, made into nails and other items. Steel in bars is being converted through automatic processes into bolts and rivets. Many smaller forges utilize semi-finished rolled products for the production of smaller forgings, such as various kinds of small tools, while larger forges utilize semi-processed steel castings and forgings for the production of larger forged products. Section and bars find a very large field of application in metal-manufacturing factories producing steel structures for factory buildings, bridge structures, poles for electric transmission lines, and, over recent years, more and more steel structures in the building construction industry. The Zenica enterprise is the largest Yugoslav producer of concrete reinforcement steel rods, and the main suppliers of the Yugoslav machine building factories which utilize its semi-finished steel products for the construction of bridges, railway cars, agricultural machinery, etc.

During the past several years the Yugoslav production of steel is being constantly expanded. The Zenica Works has a dominant share in this expansion. Thanks to this development, and inspite of the steady growth of the domestic demand for steel products, the Zenica Work has managed to export large quantities of rolled products. The first export deals were concluded in 1954, but for larger export deals one had to wait until 1956, when several new departments were put into operation in Zenica. In the pattern of exports for 1956–1957 semi-finished products still played a rather important role, but since then there was a marked shift towards exports of finished steel goods, which are now the only export articles of the Zenica Works, where the entire output of semi-manufactures is being processed into finished goods. The enterprise has organized its own export department which, on the one hand, is a direct exporter of its products, and, on the other hand, charged with the task of coordinating the activities of all the specialized enterprises which are exporters of the Zenica products.

The activities of the enterprise in export trade during the recent years may be considered as very successful. The enterprise has succeeded in establishing business connections with a large number of firms in various countries. The Zenica enterprise has succeeded in selling the whole output of goods destined for export. These successful achievements can be attributed to the high quality of export goods manufactured by the Zenica Works, which is a guarantee that foreign buyers will henceforth continue to place their orders with the enterprise. The amount of care devoted to the Zenica

Works to ensure the high quality of its output can be illustrated by the fact that in spite of large deliveries there was not a single case of complaint filed by a buyer for inadequate quality of goods; on the contrary the enterprise received many testimonials on the high quality of its products.

Although the beginnings were rather modest, today the export figures achieved by the enterprise are quite substantial. The data for the period between 1956 and 1959 show that the exports of Zenica products reached 350,000 tons. In the list of export articles the following items are represented: standard and narrow-gauge rails, concrete reinforcement steel, steel angles and sections, rolled wire, etc., in various dimensions and responding to international standards. In the export trade two types of rails predominate: the 90 R and the S 45 a. In export of concrete reinforcement steels, steel angles, steel sections, steel in bars and rods, the most in demand are articles produced under German (DIN) and British (BSS) standards. Very often these products are manufactured according to the particular wishes of the buyers.

Articles manufactured by the Zenica Works are not only exported directly, but also indirectly in that sense, that they are built in and have become component parts of many machines, installations and structures constructed and exported by other Yugoslav enterprises. This happens to be very frequent in export of bridge structures, railway cars, and in cases where Yugoslav enterprises are engaged in capital construction works abroad. If we take into account these indirect exports, the share of the Zenica Works in the Yugoslav export trade is, indeed, considerably more important.

It has already been said that the Zenica Works has established good business relations with many foreign firms, buyers of its products. This statement is corroborated by the fact that the Zenica enterprise maintains business relations with buyers from 25 countries, all over the world. If we look more closely in the export statistics of the Zenica enterprise, we shall note the fact that the bulk of its exports goes to a certain number of steady buyers, while, at the same time, new business relations are being established every day, in conformity with the export possibilities of the enterprise. A large number of foreign businessmen have paid a visit to the Zenica Works in order to see the real possibilities for closer business contacts.

If we throw a glance at the productive capacity and export capacity of individual departments of the Zenica enterprise, we shall conclude that rails are likely to remain the major export item of the enterprise. We already mentioned the types of rails manufactured by the Zenica Works and noted at the same time that two types — the 90 R and S 45 a — predominate in exports, together with narrow-gauge rails. But the possibilities of Zenica Works are by no means limited to these two types of rails. The Works are perfectly capable of manufacturing additional types of rails, if there is a sufficient demand which would justify the introduction of new items in the production programme.

There are manifold possibilities of expanding production and export of heavy and medium sections, angles and joists as well as of Spanten and Holland shipbuilding sections. In the coming years possibilities will be created for expanding exports of steel tyres and wheels for railway cars, as well as of various forged products for shipyards. In addition to these products, the Zenica Works will continue to export concrete reinforcement steel sections and steel bars, narrow-gauge rails and rolled wires. As can be seen from the above data, one can expect that Zenica Works will soon start exporting, and in substantial quantities, all the items of this production programme.

The Zenica Steel and Iron Works, with its modern and highly productive factory installations, with its large production, broad assortment and high quality of products, is a very important factor in the Yugoslav economy, and the foremost exporter of rolled products. The Zenica Works has a long tradition — seven decades of uninterrupted activity. But it is only in new, reborn Yugoslavia, that the Zenica Works rose to preeminence, after several years of intensive investment activities, which have required considerable resources and many arduous efforts of its workers and technicians.

The Zenica Steel and Iron Works maintains a broad network of business connections abroad. These are steadily being consolidated and expanded. In its day-to-day conduct of business the Zenica Works strictly observes its contractual obligations, and has won the reputation of a stable business partner. It will continue its endeavours to satisfy the desires of its numerous customers, present and future. The Zenica Works also expects that its new business partners will be satisfied with the deliveries of high quality products.





The Boris Kidrič



COKE WORKS L U K A V A C

THE "Boris Kidrič" coke works were built in Lukavac after World War II and are already in a position to satisfy a large part of Yugoslav requirements in coke while also supplying many important by-products. The location of this project was primarily dictated by the desire to gradually assure the optimum utilization of the lignite produced by the Kreka mines in the manufacture of coke.

As the first enterprise of this kind in Yugoslavia the coke works lacked a highly skilled engineering and technical staff which would be able to assume the management and operation of all the production units upon the completion of the project. Therefore careful attention was devoted to this problem

and special training for the expert staff provided both in Yugoslavia and abroad, so that the individual departments were immediately taken over by the Yugoslav or foreign experts upon completion.

The first trial batches of coke were obtained within a three year period from the date construction was begun, while the installation of a tar distilling and benzol purifying plant was completed within approximately the same period of time. This marked the end of the first stage in the construction of the works and the creation of the necessary conditions for the construction of new capacities among which one should primarily mention a factory of nitrogenous compounds, the construction of another battery of coke ovens which will raise production by 50 percent, and the construction of a synthetic phenol plant which will also yield a series of other by-products.

Although its traditions are very recent, the coke works are functioning as a well organized and efficient unit, many subjective difficulties encountered during the period of construction having been successfully overcome. The problem of skilled personnel is being solved by the allocation of over a hundred scholarships to future experts studying at higher schools and universities, as well as of schools for skilled and highly skilled workers.

The production programme of the coke works covers a fairly wide assortment of articles. Apart from coke, ammonium sulphate and sulphur which are delivered directly to the market, crude coal tar



A NEW NITROGEN PLANT HAS RECENTLY BEEN PUT IN OPERATION IN LUKAVAC

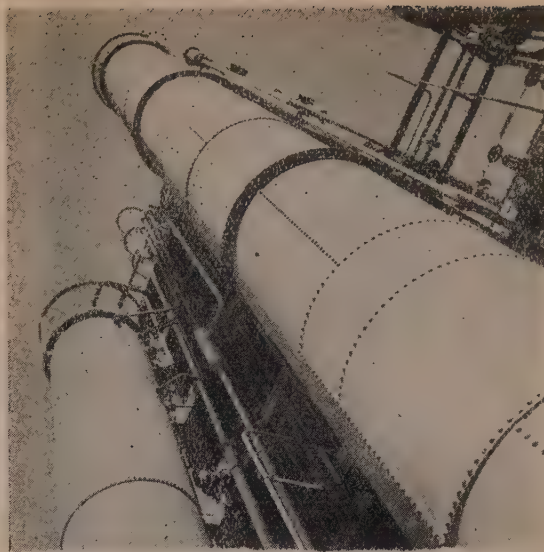
is distilled thus obtaining in addition to tar oils (creosote etc) also other important products for exports and home consumption such as tar resins, crude anthracene and hot pressed naphthalene. The benzol purifying plant manufactures pure benzol, industrially pure toluol and solvent naphtha. The high commercial quality of the aforementioned products corresponds to the requirements of the Yugoslav consumers, while sizable surpluses are available for export to the European and overseas countries every year.

The present coke works will develop into an integrated chemical plant by 1965 when its export possibilities will also be increased conspicuously.

For larger export surpluses of coal tar, ammonium sulphate and crude benzol were available several years ago when the works came into operation. As primary distillation products these raw materials were the first export items with which the plant appeared on the foreign markets. The construction of departments for the processing of these raw materials in Yugoslavia increased the possibilities of satisfying the domestic industrial requirements while the Lukavac Coke Works began exporting other products such as pure benzol, coal tar resins, crude and hot pressed naphthalene and crude anthracene powder. There is strong demand for these products abroad so that thousands of tons were sold to buyers from various countries.

It may be rightly affirmed that all these products wholly conforms to international standards of quality which is doubtless a noteworthy success for a new enterprise. Exports are an important activity of the coke plant so that serious attention is being devoted to this problem. The plant is a registered importer and exporter, but also utilizes the services of the specialized foreign trade organizations.

Notwithstanding the appreciable rise of production of the coke plant, exports did not grow during the past several years. This was due exclusively to increased demand on the home market. The Luka-



vac Coke Works will continue its efforts to meet the requirements of foreign buyers by assuring a sustained expansion of the export assortment and production. The construction of new production capacities will enable the production of more valuable by-products, so that the present and new business partners of the Lukavac Coke Works may expect new offers soon.

The interest noted among the Italian buyers with which strong business ties have been established for the products of the Lukavac Coke Works deserve particular mention in this connection. The Austrian firms are also important buyers of the products manufactured by the Lukavac Coke Works. Many ties are also maintained with other countries of Eastern and Western Europe thus indicating a further expansion of activities in this sphere.





COAL TAR AND ITS DERIVATES

THE coal tar industry began to develop as a consequence of the development of the iron and steel industry, that is, coke production. With the erection of coke plants in Zenica and Lukavac a raw material basis for processing coal tars was created. Modern equipment for processing coal tar was built in 1957 in the Lukavac Coke Plant. This equipment is adequate to process the available quantities of coal tar from the existing coke plants.

The production processes used are the most modern using the principle of continuous distillation of tar based on the "Pipe-Still" system. The first phase of construction included only equipment for the fractionization of coal tar, that is, for oil production. These fractions included:

- light oil up to 170° C
- medium oil from 170–230° C
- heavy oil from 230–270° C
- asphalt tars over 360° C

The problem of further expansion, that is addition to the equipment for the purpose of finishing the product now presented itself. Equipment for the production of the following was installed subsequently in accordance with the market demands with the purpose of making better use of the material:

- asphalt for roads
- tar for electrodes
- hot-pressed naphthalene

Equipment for the production of sodium phenol as well as the expansion of the equipment for tar production for electrodes are now being installed.

Up to 1957 all the quantities of tar that were exported were in crude form while today we are exporting semifinished and finished coal tar products. The list of finished coal tar products includes the following:

- creosote oil for impregnation of wood
- oil used for washing benzole
- pressed naphthalene
- raw anthracene in powdered form
- tar resin — KS 70–72° C quality
- tar for electrodes
- asphalt for roads

In addition to the above there are also a certain number of semifinished products such as:

- light oil which through rectification we obtain pure benzole, toluol and solvent;
- crude anthracene oil which is applied in preparing coal to be coked in the enterprise itself;
- filtered medium oil obtained after pressing and from which with further processing we obtain phenol and naphthalene.

By perfecting the production process, we have succeeded in obtaining product which fully meets the prescribed standards compiled in accordance with the demands of the consumers.

CHARACTERISTICS AND APPLICATION OF THE FINISHED PRODUCTS

Creosote oil:

- | | |
|---------------------------|-----------|
| — water content | max. 2% |
| — infusible in benzole | max. 0.5% |
| — acid content | 3–5% |
| — coke remainder | max. 2% |
| — distillate up to 355° C | 60–80% |
| — crystal content up to | + 40° C |

It is used for impregnation of wood both for railway sleepers as well as all other types of wood construction which are impregnated. In quality it is equal to that of foreign oils. The quantities produced are sufficient to meet Yugoslav requirements. Shipments are made in tanks with built-in heating facilities.

OIL FOR WASHING BENZOLE

- distilled between 230 and 300° C
- viscosity, as per Engler, at 20° C 1.4° E
- crystal content as 0° C none
- naphthalene content max. 1%

Production possibilities of such are considerable. It is shipped in tanks.

PRESSED NAPHTHALENE:

This product has a point of crystallization at a minimum of 78°C. It is manufactured as "naphthalene flat cakes", round in form, 8–10 kg in weight. The cakes are packed in jute sacks or shipped unpacked, in closed freight cars. About 35 percent of total production is exported. Naphthalene is chiefly used for the production of anhydrides phthalic acid as well as other naphthalene products.

RAW ANTHRACENE

Is obtained through crystallization of crude anthracene oil. It is used for the production of carbon black for the requirements of the rubber industry. Most of it is exported.

ASPHALT TAR

Of KS 70–72°C quality. This is the largest by-product of coal tar representing about 50 percent of production. It has all the good characteristics of coal bracketing as well as further processing into other tars. In Yugoslavia they are processed into asphalt for roads and electrodes. It is exported in cold solid form.

TARS FOR ELECTRODES

Are manufactured by further refining asphalt in special boilers with an addition of oil. These tars

are successfully produced to meet the requirements of the aluminium industry.

— KS	82 + 2° C
— Cfix	50–53%
— infusible in benzole	min 28%
— infusible in anthracene oil	max 10%
— Swelling index	25–28 mm
— ash	max 0.3%

All the above products are being consumed in the country. However, an expansion of capacities will soon make it possible to export them in considerable quantities.

ASPHALT FOR ROADS

Is produced by treating ordinary coal tar while still warm in special equipment with addition of crude coal tar oils. The equipment is adapted so that can produce asphalt of various characteristics. For the time being only the heavier types of asphalt according to DIN standards are being produced in Yugoslavia today. This asphalt is being used for road construction in the country. It has proved quite satisfactory and it can substitute bitumen which has been applied so far. According to some of its characteristics such as resistance to petrol and oil — it is considerably better than other material being used in road construction.

The above mentioned production and possibilities of processing coal tar within the coke-chemical factory in Lukavac clearly shows that the coal tar refining industry in Yugoslavia represents an important component in Yugoslav industry in general and it has very good prospects of being developed even further.





TEHNOPROMET

METAL AND MACHINERY EXPORT-IMPORT CORPORATION

SIDERURGICAL PRODUCTS: sheets — reinforcing steel — rolled wire — various sections (angles, joists and merchant bars) — railroad and Decauville rails — railway material — tubes (seamless, welded and cast) — billets and sheet bars.

SEMI PRODUCTS OF COPPER AND COPPER ALLOYS: sheets — strips — pipes — rods — circles — copper ropes — foils — bare copper wire conductor — welding electrodes.

ALUMINIUM SEMIS: sheets (flat and corrugated) — strips — circles — foils — pipes — wire (drawn and extruded) — bars — aluminium ropes and aluminium steel ropes — various sections — aluminium electrodes.

TIN ESMIS: tin composition — tubes — wire — tin for soldering — stripstinal wire.

LEAD SEMIS: Sheets — strips — tubef — wire

WIRE GOODS: wire nails — tacks — horse shoe nails — barbed wire — wire cloth and netting.

MATERIALS FOR INSTALATION: fittings for pipes (black and galvanized) — boilers and radiators for central heating — armatures (valves and gate valves for water, steam and gas) — taps — batteries.

SANITARY ARTICLES

SCREWS: bolts — nuts — washers — screw spikes — wood screws — rivets.

CHAINS: All kinds of ship and animal chains.

CAST, FORGED AND PRESSED PARTS: from cast steel, grey cast iron and non-ferrous metals, according to buyer's wish.

AGRICULTURAL TOOLS

CUTTING TOOLS: twist drills — straight shank — twist drills — morse taper — circular dies —

rimers — end mills — set of cutting tools — hand and machine hack saw blades — saw blades for wood — lathe tools — plane irons.

HAND TOOLS: chrom vanadium spanners — all kinds of scissors and pliers — monkey wrenches — Tin Smith's scissors — quick clamps — Stocks and Dies for iron gas pipes — steel letters and figures — steel measuring tapes — anvils

HARDWARE — BULDING FITTING — ALL KINDS OF METAL PACKAGES: black and galvanized barrels — drums — petrol cans of 20 litres "JERRYCANS" type — steel bottle for oxygen and butane — galvanized buckets.

ARTICLES FOR COMMON USE: various kinds of kitchen ranges — gas and coal stoves — aluminium and enamelled utensils — cookers — lanterns — chaff cutter knives — charcoal irons — globes and cylpebs — electrodes ladys and gents bicycles.

AGRICULTURAL MACHINES: Tractor "Zadrugar" Diesel 40 — disc tractor ploughs — share tractor ploughs — tractor grain drills — walking grain drills — tractor grain drills with fertilizer distributor — waking drills for sugar beets — maize walking drills — fertilizer distributors (tractor and walking) — manure spreaders — tractor and walking mowers — tractor and walking harvester binders — hay rakes — threshers from 550 — 1380 mm — manual and motor corn threshers — hammer mills — agricultural trailers (stable and kipper from 2—7 tons) — knapsack and engine sprayers — fog atomizer etc. — sprinkler irrigation equipment — pumping units — complete automatic pneumatic flour mills and milling machines

RAIL VEHICLES AND PARTS: All kinds of rail vehicles (locomotives and wagons).

TEHNOPROMET

Negotiations and Agreements

Trade with Brazil. — The session in Rio de Janeiro of the Mixed Yugoslav — Brazilian Trade Commission opened in the first half of December. The agenda includes the problem of the adjustment of the export and import lists of the two countries.

Negotiations with Rumania. — Talks between Yugoslav and Rumanian delegations for the conclusion of a protocol on goods exchange for 1962 were held in Belgrade at the beginning of December.

Yugoslav Economic Delegation in Athens. — Meetings of the mixed Yugoslav—Greek Committee for Economic Cooperation and Technical Assistance started in Athens on December 4. Nikola Šušnjar, assistant president of the Foreign Trade Committee, is the leader of the Yugoslav delegation.

Negotiations in Moscow. — A Yugoslav Trade Delegation, headed by Vujica Gajinović, deputy of the Foreign Trade Committee, has been in Moscow since December 6, in order to negotiate trade exchange for 1962.

Negotiations with Denmark. — Yugoslav—Danish negotiations for the conclusion of a new protocol on goods exchange, which will be valid for one year and will come within the existing trade agreement between the two countries, started in Belgrade on December 7.

Yugoslav—Cuban Negotiations. — Negotiations between economic representatives of the Yugoslav and Cuban governments in connection with the conclusion of a protocol on trade exchange for the coming year were begun in Belgrade on December 8.

Air Traffic with Guinea. — Talks between Yugoslavia and Guinea on the conclusion of an agreement on air traffic between the two countries started in Belgrade on December 8.

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News in Brief

Agriculture

Autumn sowing. — More than two million one hundred thousand hectares were sowed with wheat this autumn, which means that the sowing plan has been exceeded.

Socially owned farms have sown about 300,000 hectares, which is 40,000 hectares more than last year.

Most agricultural areas took advantage of the fine weather to carry out deep winter ploughing during November, so that preparations for the spring sowing, in which maize holds the most important place have been started.

In Vojvodina, the richest Yugoslav region under cereals, about 470,000 hectares, or 30,000 hectares more than last autumn, have been sown to wheat.

Sowing was carried on more than 150,000 hectares on big farms in Vojvodina, in spite of the hard conditions due to the long drought.

Privately owned farms in Vojvodina sowed more than 250,000 hectares, and more than 60,000 hectares were sown on a cooperative basis.

Livestock raising. — In 1957, 2,700 head of beef cattle were included in organized fattening, while there were 44,000 head this year. In addition to this about 177,000 pigs are being fattened, of which 60,000 are for bacon.

Export—Import

In the January—October period this year a total of 133.1 milliard worth of goods was exported, of which industrial products amounted to 99.7 milliard dinars and agricultural produce to 33.4 milliard.

The total volume of import in ten months reached the level of 220.7 milliard dinars.

Industry

Slovenia. — A new spinning-mill, which is one of the most modern of its type in Slovenia, was put in operation in Ajdovščina on November 29. The mill is equipped with 20,000 spindles and will produce 2,000 tons of yarn per annum.

The Cement and Salanit Mill in Anhova has put in operation a new rotation furnace, a drying plant and two mills (for grinding coal and stone). In addition to this, the first stage of the modernization of the salonite plate-producing unit has been completed, and two new automatic machines for corrugated plates, a new steam boiler and other installations are already in use. After some additional reconstruction work, the factory of Anhovo will rank among the most modern industrial plants of its type in the world.

Investments

Coal. — The Yugoslav Investment Bank has granted nearly five milliard dinars of investment credits for the reorganization of the Rudnik Raša, Nova Jerma and Timočki coal mines, which are expected to yield additional 209,900 tons yearly.

Traffic

Transport of goods. — In the first six months of this year the river transport of goods increased by 25.2 per cent, as against the same period last year. Inland transport carried 1,973,071 tons and international transport 742,738 tons.

Money and Credit

The total amount of money the population received during the first nine months this year was 1,260 milliard dinars, which is 22 per cent more than in the same period last year.

This year personal incomes increased by 23 per cent in the economy by 21 per cent, outside the economy by 28 per cent, and in social payments by 22 per cent.

Tourism

In ten months of this year the foreign currency brought into the country through the tourist trade increased by 37 per cent as compared with the same period last year.

Crafts

At the beginning of 1960 there were a total of 123,117 organizations for social and private crafts, with 344,141 employed craftsmen.

Of the total number of craft organizations, 7,419 with 195,380 employed workers are in the social sector, and 115,698 workshops with 148,761 employed workers belong to the private sector of crafts.

In the first seven months of 1961 the gross investments in crafts amounted to 13.4 milliard dinars which is an increase of 45.6 per cent over the same period in 1960.

From January to August 1961 the sum of 8.3 milliard dinars, or 69.2 per cent of the plan of investment in crafts for 1961, was allotted to basic means of production, while investments in revolving stocks amounted to 5.1 milliard dinars.

Shipbuilding

In the course of 1962, Yugoslav shipyards will build over 250 thousand gross registered tons of shipping for foreign ship-owners and for Yugoslav cargo and passenger lines.

The Pharmaceutical Industry

In 1962, the pharmaceutical and chemical industries will increase their production by 21.4 per cent in comparison with 1961.

The Catering Industry

Altogether 12,943 catering establishments with an annual turn-over of more than 121 milliard dinars are now registered in Yugoslavia. They employ 77,244 persons.

Electric Power

The Yugoslav electric generating industry is expected to produce about eleven milliard kilowatt hours of electric power in 1962. In the first seven months of this year, over 30 milliard dinars were invested in the expansion of the electrical industry.

Culture

Yugoslav scientists have established close and fruitful cooperation with corresponding scientists and institutions in more than 35 European and non-European countries.

Political Diary

November 29 — The Day of the Republic was celebrated throughout the whole of Yugoslavia. In many towns new industrial and other projects were put in operation, memorials uncovered, and rewards distributed in workers' collectives.

December 5 — The Third Congress of the Historians of Yugoslavia was held. It dealt with the historical role of the Communist Party of Yugoslavia in the preparation and organization of the uprising of 1941, with the specific nature of the People's Liberation War and with the international problems of the uprising of the peoples of Yugoslavia.

December 6 — The Congress of Mechanical and Electrical Engineers, at which it was resolved that a general revaluation of the means of production should be made in 1962, closed in Zagreb.

December 12 — A meeting of the Commission for Organizational Questions of the Executive Council of the Federal Committee of the Socialist Alliance of Working People of Yugoslavia was held. The activity of the sections of the Socialist Alliance and the work and experience of the sections of the local organizations were discussed and analysed.

Our New Contributor

RIKARD ŠTAJNER: Doctor of Economics; Councillor in the Central Council of the Federations of Trade Unions of Yugoslavia; Publicist.

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